FRANCHISE DISCLOSURE DOCUMENT

Renovation Franchise North America, LLC
a Florida Limited Liability Company
415 South Florida Blanca Street
Pensacola, Florida 32502
Phone: (850) 332-6131
www.refreshrenovations.com
Paul.English@refreshrenovations.com

We offer franchises for the right to own and operate a business (each, a "**Business**") that is authorized to offer and provide residential building renovation services and products to prospective and existing customers within a given territory that are (a) directly solicited and recruited by the franchise owner via its own direct marketing efforts or via joint marketing efforts with one (1) or more other Business owners permitted to operate within that territory and/or surrounding regions, and/or (b) otherwise allocated to the Franchised Business by us in accordance with our then-current system policies and procedures (each, a "**Client**"), all while utilizing (i) the then-current Proprietary Marks we designate, and (ii) the proprietary system of operations we and our affiliates have developed (the "**System**").

The total investment necessary to begin operation of a Franchised Business ranges from $59,592 to $140,442, which includes $35,600 to $75,750 that must be paid to us and/or our affiliates prior to opening.

This disclosure document summarizes certain provisions for your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this disclosure document, the franchise agreement, or any other related document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Attn: Franchise Administration, 415 South Florida Blanca Street, Pensacola, Florida 32502, or via telephone at (850) 332-6131.

The terms of your franchise agreement will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contracts. Read all your contracts carefully. Show your contracts and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission (the "**FTC**"). You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

The issue date of this Franchise Disclosure Document ("**FDD**") is May 10, 2021.

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20, Exhibit G and Exhibit H.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit C includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Refresh Renovations Franchised Business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What is it like to be a Refresh Renovations Franchised Business franchisee?	Exhibit G and Exhibit H list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need to Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit D. The states where we are registered, and the effective dates of the registrations are listed in Exhibit J.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About This Franchise

Certain states require that the following risk(s) be highlighted:

1. The franchise agreement requires you to resolve disputes with the franchisor by mediation and litigation only in Florida. Out-of-state mediation and litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate and litigate with the franchisor in Florida than in your own state.

2. The franchise agreement states that Florida law governs the agreement, and this law may not provide the same protections and benefits as local law. You may want to compare these laws.

3. If the franchisee is a business entity, each individual owning an interest in the franchisee entity must execute a personal guaranty. This places the personal assets of each franchise owner at risk.

4. A contract which restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California Business and Professions Code 16600.

5. There may be other risks concerning this franchise.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

We may use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source is <u>our</u> agent and represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

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ITEM 1: THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

The party offering the franchise described in this Disclosure Document is Renovation Franchise North America LLC. For ease of reference this Disclosure Document will refer to Renovation Franchise North America LLC as "we," "us" "our" and "Refresh Renovations." The words "you" and "your" refer to the person to whom we grant a franchise, whether you are a corporation, limited liability company or other business entity.

If you are a corporation, limited liability company or other business entity, certain provisions of our franchise agreement attached as Exhibit A (the "**Franchise Agreement**") will also apply to your owners and will be noted.

Franchisor Information and Business Activities

We are a Florida limited liability company formed on or around September 6, 2018, with a principal business address at 415 South Florida Blanca Street, Pensacola, Florida 32502, and our telephone number is (850) 332-6131. We do business only under our corporate name, our primary mark REFRESH RENOVATIONS and other current trade names, trademarks, service marks, and logos (the "**Proprietary Marks**").

Our agents for service of process are identified in Exhibit E to this Disclosure Document.

We first began offering and selling franchises for the right to own and operate a franchised Business (each, a "**Franchised Business**") in January 2019. We currently offer and award franchises pursuant to our current form of Franchise Agreement attached as Exhibit A to this Disclosure Document.

Except as provided in this Item, we are not engaged in any line of business or activities other than offering franchises for the right to independently own and operate a Franchised Business.

Brief Overview of the Franchised Business Offered

We franchise the right to own and operate a Franchised Business that specializes in residential building renovation services utilizing our then-current: (i) Proprietary Marks we designate for use in connection with the System, including without limitation, our current primary mark, REFRESH RENOVATIONS and any other service marks, trademarks, trade dress, slogans and/or logos we determine to license to our franchisees, which we may modify or supplement as we deem advisable in our discretion; and (ii) System of operations that we and our affiliates have developed for the establishment and ongoing operation of a Business.

We also grant the right to own and operate a franchise business that specializes in residential landscaping and exterior renovation services utilizing the then-current: (i) Proprietary Marks we designate for use in connection with the System, including without limitation, the current primary mark, ZONES LANDSCAPING and any other service marks, trademarks, trade dress, slogans and/or logos we determine to license to our franchisees, which we may modify or supplement as we deem advisable in our discretion; and, (ii) a System of operations that we and our affiliates have developed for the establishment and ongoing operation of that business.

Description of the System

The System is comprised of various components, including without limitation: (i) the uniform standards, methods, procedures and specifications developed by us, including our proprietary and branded System software (the "**System Software Platform**") and other required third-party

software (collectively, the "**Required Software**"); (ii) tools designed to facilitate the generation and allocation of prospective Client leads in addition to the System Software Platform, which may include a centralized call center system that is tied to and (800) number we may require you to display and use on all promotional materials (the "**Call Center**"); (iii) certain online and traditional marketing materials we determine to develop and/or authorize as part of the System; (iv) any then-current industry and supplier relationships; (v) the proprietary initial training program and related instructional materials that you must complete prior to launching a Franchised Business, as well as any ongoing training and support-related materials we determine appropriate for use in connection with a Business; (vi) business management methodology; and (vii) all the procedures, methods, standards, specifications, guidelines, directives and/or other content set forth in our confidential and proprietary operations manual (the "**Operations Manual**"), as well as any other manuals, training materials and presentations and/or other written directives (collectively, the "**Manuals**"). We may supplement, modify or otherwise change the System from time to time as we determine appropriate via the Manuals or otherwise.

Please note that the System is substantially the same System that is used by certain of our affiliates in connection with their respective administration of franchise systems operating under the same Proprietary Marks in New Zealand and certain other international jurisdictions, as described more fully below in this Item 1.

Permitted Territory and Client Solicitation

Each System franchisee is permitted to market and promote their Franchised Business within a defined geographical area that will be designated an Exhibit to that franchisee's Franchise Agreement (the "**Permitted Territory**").

Please note that we will typically award multiple Businesses the right to operate within a single Permitted Territory and will determine how many Businesses (franchised or otherwise) will be permitted to operate within a given Permitted Territory as we deem appropriate in our discretion after considering the size and demographics of that area.

Each Business owner that we award the right to operate within the Permitted Territory will have the right to: (i) actively solicit and recruit prospective Clients within that territory; and (ii) negotiate and enter into service agreements to provide the "Approved Services" and "Project-Related Materials and Products" (defined and described more fully below) to those Clients that (a) the Business owner enters into the System Software Platform prior to any other authorized Business, or (b) we allocate to that Business in accordance with our then-current System policies and procedures for prospective Client allocation.

As disclosed more fully in Item 12, if we allocate a prospective Client to another Business, you may not solicit, provide or contract to provide any kind of Approved Products or Approved Services to that prospect, unless we and that other Business agree in writing.

We strongly encourage collaborative marketing campaigns and efforts by multiple Businesses that are awarded the right to operate within the same Permitted Territory, and our current System policies typically allocate prospective Client leads to such Businesses based – in part – on the amount a given Business expends on such collaborative marketing.

Project-Related Materials and Products and Approved Services

As a general matter, the "Project-Related Materials and Products" you can promote, offer and provide to your prospective and existing Clients within the Permitted Territory will be comprised of most interior renovation products that are designed for use in residential homes and apartments

that (a) are legal for use in connection with the Client project at issue where the Client is located, (b) can be installed or otherwise used in connection with the project by your "Qualified Contractor" (as defined below) in compliance with the laws where the you are located and where the Client project is undertaken, (c) are not listed on our then-current list of banned items and suppliers that may not be used or associated with the System (the "**Banned List of Items and Suppliers**") or any update/supplement to that list, and (d) are supplied by a third-party supplier that is not listed on our Banned List of Items and Suppliers.

Aside from marketing and promoting the Franchised Business within the Permitted Territory, the "**Approved Services**" you will typically be authorized (and required) to provide as a System franchisee include:

1. soliciting prospects that have not been previously allocated to or recruited by another System Business;

2. subsequently entering such prospective Clients into the System database using the System Software Platform;

3. further soliciting, negotiating and entering into services agreement(s) with, prospective Clients that (a) you directly (or in collaboration with another Business within your Permitted Territory) solicit and enter into the System Software Platform before any other Business in your Permitted Territory, and/or (b) we allocate to you (via the System Software Platform, Call Center and/or other method we determine appropriate); and

4. project management and administration services with respect to the Business and Client projects to ensure the timely performance of the Approved Services consistent with the terms of a given Client's service agreement utilizing only (a) third-party contractors or other personnel that have the required certifications, training, experience, permits, credentials and/or other qualifications, if any, necessary to provide such services under any applicable law (each, a "**Qualified Contractor**"), and (b) Project-Related Materials and Products, as well as corresponding suppliers, that are not listed on our then-current Banned List of Items and Suppliers.

Importantly, you will be solely responsible for ensuring that all Project-Related Materials and Products, Approved Services and Qualified Contractors you determine to use and/or provide within your Permitted Territory are used and/or provided in compliance with the applicable laws where the Permitted Territory and each Client project are located.

Initial Operations of Franchised Business from Home Office and Required Approved Vehicle

The marketing and sales activities associated with your Franchised Business can be accomplished through, among other things, in-home sales calls and/or consultations that are conducted via a vehicle that we designate or approve (the "**Approved Vehicle**"). While some franchisees may choose to own and operate a dedicated third-party commercial office space (a "**Commercial Space**"), this is not essential, and we expect that you will typically operate your Franchised Business from a home office during the first year or two of your operations. Regardless of whether you operate from a business premise or home office, we must approve the site from which you operate your Franchised Business (the "**Approved Location**").

We expect and intend, and our standard franchise offering assumes, that you will initially open and conduct operations from a home office space so that you can focus operational funds on promoting the Franchised Business and operational activities rather than lease-related expenses.

Your Franchised Business is deemed to have launched at the earlier of (a) the day following your completion of required pre-opening initial training, and (b) three (3) months from the date you sign your Franchise Agreement with us (the "**Business Launch Date**").

Parents and Predecessors

We have no parents or predecessors that require disclosure in this Item.

Affiliates

Traffic New Zealand Limited was formed under the laws of New Zealand in January 2003 with a principal place of business at 287 Parnell Road, Parnell, Auckland, New Zealand. Traffic New Zealand Limited is the ultimate holding company of our other affiliates, namely Renovation Franchise Limited (NZ based entity), Refresh Franchise International Limited (NZ based entity), Renovation Franchise Australia Limited (NZ based entity), Renovation Franchise Australia Pty Ltd (Australia based entity), Renovation Franchise UK Limited (NZ based entity) and Renovation Franchise UK Limited (UK based entity).

Refresh Renovation Builders Limited was formed under the laws of New Zealand in September 2009 with a principal place of business at 287 Parnell Road, Parnell, Auckland, New Zealand. This entity owns the Proprietary Marks for New Zealand, Australia, and the United States and licenses the right to use such marks to Renovation Franchise International Limited (discussed below) that sublicenses the marks to (a) Renovation Franchise Limited for use in connection with administering the franchise system in New Zealand, (b) Renovation Franchise Australia Pty Ltd for use in connection with administering the franchise system in Australia, and (c) to our affiliate and us in connection with administering the franchise system here in the United States (and possibly other portions of North America in the future).

Refresh Franchise International Limited was formed under the laws of New Zealand in November 2013 with a principal place of business at 287 Parnell Road, Parnell, Auckland, New Zealand.

Renovation Franchise Limited was formed under the laws of New Zealand in March 2010 with a principal place of business at 287 Parnell Road, Parnell, Auckland, New Zealand. Since its formation, this entity has offered and sold franchises for the right to own a franchise that is operated in a similar manner to the Franchised Business being offered in this Disclosure Document under our Proprietary Mark in the jurisdiction of New Zealand. As of the Issue Date of this Disclosure Document, this entity has approximately 27 Refresh Renovations franchises that are subject to an active franchise agreement.

Renovation Franchise Australia Limited was formed under the laws of Australia in June 2015 with a principal place of business in Parramatta, Sydney, Australia. Since its formation, this entity has offered and sold franchises for the right to own a franchise that is operated in a similar manner to the Franchised Business being offered in this Disclosure Document under our Proprietary Mark in the jurisdiction of Australia.

Renovation Franchise UK Limited was formed under the laws of the United Kingdom to operate as master franchise for the United Kingdom, with a principal place of business in Russell Square, London, England. Since its formation, this entity has offered and sold franchises for the right to

own a franchise that is operated in a similar manner to the Franchised Business being offered in this Disclosure Document under our Proprietary Mark in the jurisdiction of the United Kingdom.

Except as set forth above in this Item and under the following heading, neither we nor any of our affiliates have ever: (ii) conducted a business of the type described in this Disclosure Document. Except as provided in this Item, none of our affiliates are involved in any other material business activity.

General Description of the Market and Competition

Our franchise concept and your Franchised Business will typically target your services to owners of residential homes, which may include apartments. You may have to compete with other businesses including franchised operations, national chains, and independently owned companies offering similar remodeling and renovation services and corresponding products to customers. All industries are subject to changes in local and national economic conditions, and other business risks such as the pricing policies of competitors, changes to laws or regulations, changes in supply and demand, new technologies and competition from Internet-based organizations that provide information and some related services or products.

A study conducted by Harvard University identified the residential renovation market as one of the most fragmented sectors in the United States economy that could be ripe for consolidation. The study further concludes that: (i) a professional business model, led by sales, marketing and management functions is required within the industry to address the major customer service and industry structure issues the traditional trade-based operating model causes; and (ii) a franchise model could constitute a good approach to addressing these model needs.

Additionally, the market for residential building renovation services may be affected by new regulations and financial changes due to the impact of Covid-19.

Regulations Specific to the Industry

Most states and local jurisdictions have enacted laws, rules, regulations and ordinances that may apply to the operation of your business, including those that: (a) establish general standards, specifications and requirements for the construction, design and maintenance of the business Approved Location; (b) regulate matters affecting the health, safety and welfare of your customers, such as restrictions on smoking and availability of and requirements for public accommodations, including restrooms; (c) set standards pertaining to employee health and safety and environment; (d) regulate matters affecting requirements for accommodations for disabled persons; (e) set standards and requirements for fire safety and general emergency preparedness; and (f) set standards and regulations regarding the licenses and permits necessary to provide installation services as a contractor. You must investigate and comply with all of these applicable laws and regulations, as we have not investigated any laws or regulations to determine whether they are applicable to the operation of your Franchised Business. You alone are responsible for complying with all applicable laws and regulations, despite any advice or information that we may give you.

In particular, you are solely responsible for determining what, if any, licenses, permits, and approvals you or the Franchised Business will need to offer, sell and provide the Approved Products and Approved Services within your Permitted Territory, including, without limitation, all those related to performing general contractor work (if and as needed). The parties you engage or otherwise arrange to provide the Approved Services may have such required licenses, permits or approvals prior to undertaking the provision of such services on behalf of the Franchised Business, and our franchise offering expects and assumes that any personnel you hire or

otherwise engage to provide certain services will be "Qualified Contractors" (as defined in this Disclosure Document) that have the appropriate training and licenses associated with the provision of such services. We have not investigated each state's specific laws regarding what an individual might need to acquire or maintain to meet the definition of a Qualified Contractor, and you will be solely responsible for ensuring you and your personnel comply with this requirement and all applicable laws where the Franchised Business and, if applicable, Permitted Territory are located.

The United States enacted the "Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001" (the "**USA Patriot Act**"). We are required to comply with the USA Patriot Act. To help us comply with the USA Patriot Act, we ask you in the Franchise Agreement to confirm for us that neither you, nor your directors, officers, shareholders, partners, members, employees, or agents are suspected terrorists or persons associated with suspected terrorists or are under investigation by the U.S. government for criminal activity. You may review the Patriot Act and related regulations at http://www.ustreas.gov/offices/enforcement/ofac/programs.

Agents for Service of Process

Our agents for service of process are listed in Exhibit E to this Disclosure Document.

ITEM 2: BUSINESS EXPERIENCE

Paul English: CEO

Mr. English has served as our CEO since our inception and is located in Pensacola, Florida. Mr. English served as: President of Thai Union Global PetCare, located in Bangkok, Thailand, from August 2015 through September 2018; and President of USPet Nutrition (a Thai Union subsidiary), located in Lyons, Georgia, from December 2012 through July 2015.

Lal Mike Meyer: Global CEO

Mr. Meyer has served as Global CEO for Refresh International since January 1, 2018 and is located in Auckland, New Zealand ("NZ"). Mr. Meyer served as: General Manager of New Zealand for Refresh Renovations, located in Auckland New Zealand, from November 2016 through December 2017; Global Director of Customer Demand for Thai Union Global PetCare, located in Bangkok, Thailand, from August 2016 through November 2016; Country Business Manager for Nestle Purina PetCare Australia, located in Sydney, Australia, from April 2015 through July 2016; and Country Business Manager for Nestle Purina PetCare New Zealand, located in Auckland, NZ, from January 2011 through March 2015.

Jon Bridge: Director

Mr. Bridge has served as one of our Directors since our inception. Since January 2003, Mr. Bridge has also served as a Director for Traffic, located in Auckland, NZ.

Barry Bloomfield: Director

Mr. Bloomfield has served as one of our Directors since our inception. Since January 2003, Mr. Bloomfield has also served as a Director for Traffic, located in Auckland, NZ.

Chris Caiger: Director

Mr. Caiger has served as one of our Directors since our inception Since January 2003, Mr. Caiger has also served as a Director for Traffic, located in Auckland, NZ.

ITEM 3: LITIGATION

No litigation must be disclosed in this Item.

ITEM 4: BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

ITEM 5: INITIAL FEES

Initial Franchise Fee

You must pay us a fee based on the number of franchisees in a Permitted Territory as set forth in the table below upon execution of your Franchise Agreement for each franchise you are awarded (the "**Initial Franchise Fee**"), which is deemed fully earned and non-refundable upon payment. The Initial Franchise Fee pays for the costs of support to set up your Franchised Business.

Number of Franchisees in Permitted Territory	Initial Franchise Fee
1st Franchisee in Permitted Territory	$35,000
2nd Franchisee in Permitted Territory	$55,000
3rd Franchisee and Above in Permitted Territory	$75,000

Uniformity

Except as provided in this Item, all fees paid to us that are disclosed in this Item are uniformly imposed on our franchisees. During fiscal year 2020, we collected Initial Franchise fees in the amount of $35,000.

ITEM 6: OTHER FEES

NAME OF FEE	AMOUNT[1]	DUE DATE	REMARKS[0]
Royalty Fee	6% of the Gross Sales[1] generated by your Franchised Business during the preceding reporting period.	Currently, on or before the 10th day of each month based on the Gross Sales of the Franchised Business during the preceding calendar month (or other reporting period)[2]	Your obligation to pay the Royalty Fee commences as of your Business Launch Date, and you must make your first Royalty Fee payment in the following calendar month.

NAME OF FEE	AMOUNT[1]	DUE DATE	REMARKS[0]
Franchisee Marketing Requirement[3]	The greater of: (i) 2% of the Gross Sales generated by the Franchised Business or (ii) $12,000 each 6-month period.	As agreed in advance with Franchisor	This is the minimum amount we require you to expend for local marketing, and we encourage you to expend additional amounts if you determine appropriate.
Regional Marketing Cooperative (a "**Cooperative**")[4]	As determined by the Cooperative	Upon Demand	You are permitted to work with other Business owners within your Permitted Territory and/or surrounding region(s) to form a Cooperative, subject to the terms of your Franchise Agreement.
National Brand Marketing Fund Contribution[5]	The Fund Contribution is 1% of the monthly Gross Sales generated by your Franchised Business	Same of your Royalty Fee	Your obligation to contribute to the Brand Development fund ("**Fund**") commences at same time, and will be collected in the same manner, as your Royalty Fee.
Platform Software Fee[6]	Currently, $200/month for the first user and an additional $50/month for each additional user.	On or before the 10th of each month	You will commence payment of Platform Software Fee at time you start the Initial Training Program. We may collect such fee in the same manner as your Royalty Fee.
Technology Fee[7]	Currently, we do not impose or collect such a Technology Fee.	As we determine, but we expect it will be collected at the same time as your Royalty Fee	We reserve the right to collect a technology fee to cover some or all the costs associated with software and other technology we designate for use in connection with the System.

NAME OF FEE	AMOUNT[1]	DUE DATE	REMARKS[0]
Collaboration Fee[8]	Currently $155 per month	On or about the 10th of each month	Your obligation to pay the Collaboration Fee commences in the first calendar month after you execute your Franchise Agreement with us.
Renewal Fee[9]	$7,500	Prior to us approving your renewal request	We reserve the right to charge you this renewal fee as one of the conditions to approving your request to renew your Franchise Agreement.
Transfer Fee[10]	$15,000	Upon approved transfer or sale to another person or entity.	Payable when you sell or transfer your franchise with our approval. No charge if you transfer to a business entity that is owned by you, but you must sign the guaranty attached to the Franchise Agreement as one of the conditions to us approving such a transfer.
Relocation Fee	Reimbursement of the reasonable costs incurred by us	As incurred.	If you receive our prior written consent to relocate the Franchised Business, you must reimburse us for the reasonable costs and expenses we incur to evaluate and approve the proposed relocation.

NAME OF FEE	AMOUNT[1]	DUE DATE	REMARKS[0]
Remedial Training Fee[11]	Our then-current training fee for certain types of training; and all costs and expenses for (a) you and your required trainees (if any) to attend and complete any required training, and/or (b) our trainers to provide any training within your Permitted Territory or at or near your Approved Location. Currently, $500 per day per trainer.	As incurred.	We may require you (and any appropriate personnel) to attend up to 5 days of remedial training as part of the actions you must complete to cure certain breaches of your Franchise Agreement.
Audit Fee[12]	Actual cost incurred by us if we determine you are underreporting Gross Sales by 2% or more	Once underreporting is determined	If you underreport Gross Sales, you must pay the amount owed plus interest, and all costs related to performing the audit. There is no charge for the audit if Gross Sales are reported accurately.
Delinquency Charges	$50	As incurred.	Charged for each check given or electronic transfer made to us that is dishonored, fails to process, or is returned.
Interest	1.5% per month or highest rate under applicable law, whichever is greater	As incurred.	We reserve the right to charge interest on all late payments, with such interest accruing based on the number of days that have passed since the payment due date.

Explanatory Notes to Item 6 Chart:

Generally. Unless otherwise set forth in this Item, all fees noted in this Item 6 are uniformly imposed and are payable to us and are non-refundable. All fees due under the Franchise Agreement will be collected by us through our Electronic Funds Transfer ("**EFT**") Program from a bank account that you choose. You must execute the Electronic Funds Withdrawal Authorization in a form substantially similar to that attached as Exhibit D to the Franchise Agreement contemporaneously with the execution of the Franchise Agreement that authorizes us to collect all fees by EFT.

1. **Gross Sales.** "Gross Sales" include all revenue generated via the operation of the Franchised Business, including revenue generated by the provision of all Approved

Products and performance of Approved Services in connection with Client projects or otherwise, whether for cash, credit or barter and regardless of collection in the case of credit, and income of every kind and nature related to the Franchised Business, except that "Gross Sales" from customers will not include monies that are collected and submitted by Franchisee for transmittal to the appropriate taxing authority. In computing the Gross Sales, Franchisee will be permitted to deduct the amount of cash refunds to, and coupons used by customers at the time the balance is fully paid to Franchisee, if such amounts have been included in Gross Sales of the Franchised Business.

2. **Payment Period and Method.** We may, in our sole discretion, change your payment schedule for your Royalty Fee to any other payment schedule, or require you to use any other method of payment, upon 30 days' written notice to you.

3. **Franchisee Marketing Requirement.** Franchisees are expected to have various local campaigns running and being paid for on a monthly basis to generate the necessary leads to achieve their Gross Revenue targets. You are required to invest these amounts, independently or through any online or other marketing services we make available to you (directly or via third-party suppliers). There is no obligation to use our online marketing services, however, we will have the right to approve any advertising or promotional materials before they are distributed. Your Franchisee Marketing Requirement commences in the first calendar month following the execution of your Franchise Agreement. We encourage that you participate in collaborative marketing efforts with other Businesses within your Permitted Territory or that otherwise operate in neighboring regions to increase efficiencies and market reach/penetration.

4. **Regional Marketing Cooperative**. Any payment for a Regional Marketing Cooperative in each month will be credited towards your Franchisee Marketing Requirement for that month. If there is a Business in your Cooperative that is owned by us or our affiliate, then such Business will have the right to vote on all matters that you and the other Cooperative members have the right to vote on. We reserve the right to assist in the formation of such Cooperatives and/or facilitate the collection and/or disbursement of the funds necessary to implement Cooperative campaigns and other collaborative marketing efforts.

5. **National Brand Marketing Fund Contribution**. The Fund is designed to promote the System, Proprietary Marks, and brand generally. All Fund Contributions are non-refundable upon payment, and we will account separately for all sums paid to the Fund. We will use Fund contributions, and any earnings on it, exclusively for preparing, directing, conducting, placing, and administering advertising, marketing, public relations, and/or promotional programs and materials, any other activities that we believe would enhance the image, goodwill or development of the System, Proprietary Marks, the Website and Approved Products or Services. We are not obligated to spend monies from the Fund in any particular franchisee's market in proportion to the payments to the Fund made by the franchisee in that market. We do not represent that we will spend any particular amount of advertising funds locally, regionally, or nationally. The Fund will be used to meet all costs of maintaining, administering, directing, and preparing advertising. This includes, among other things, direct mail advertising, marketing surveys and other public relations activities, developing and maintaining the Website, employing advertising and public relations agencies, purchasing promotional items and providing other marketing materials and services to the Businesses operating under the System. These costs may include the proportionate salary share of our employees that devote time and render services for advertising and promotion or the administration of the Fund, including administrative costs,

salaries, and overhead expenses related to administering the Fund and its programs. No part of the Fund may be used by Franchisor to defray any of our general operating expenses, other than those reasonably allocable to advertising or other activities reasonably related to the administration or direction of the Fund.

6. **Platform Software Fee.** The fee paid to us for the right to use the hardware and proprietary, customized software required to operate the Franchised Business, to record all transactions and communications and to access System information.

7. **Technology Fee.** Our collection of a Technology Fee does not limit or otherwise affect your obligation to pay suppliers directly for any technology that we determine is outside the scope of what the Platform Software or Technology Fee will cover. We will provide you with prior written notice of any decision to establish and start collecting a Technology Fee. Please note that this Technology Fee will be in addition to any Required Software fees you are required to pay to third-party approved suppliers and the Software Platform Fee described above.

8. **Collaboration Fee**. We use the Collaboration Fee as we determine appropriate to defray the costs associated with activities that we determine appropriate to foster franchisee and System collaboration and/or communication. Such activities may include but are not limited to: (i) conducting a quarterly business review of franchised locations and, as we determine appropriate, analyze and utilize this information to convey best practices and/or other franchisee network data, to disseminate "best practices" and/or our information; and (ii) planning and/or conducting *ad hoc* events (such as meeting with preferred suppliers) for System franchisees and owners.

9. **Renewal Fee**. You must meet certain criteria before we will allow you to renew your Agreement. You will also be responsible for the fees of your own lawyers and advisors.

10. **Transfer Fee**. You and your proposed transferee must satisfy certain other conditions in order for us to approve your proposed assignment or transfer of the Franchise Agreement or Franchised Business in any manner. You will also be responsible for all third-party broker costs associated with the proposed assignment.

11. **Remedial Training Fee**. In addition to Remedial Training, we reserve the right to charge our Training Fee for any: (i) training that you request we provide; (ii) any training we provide to replacement personnel of your Franchised Business; and/or (iii) any other training we provide at your Franchised Business or within your Permitted Territory once you have commenced operating.

12. **Audit Fee.** Following an audit, if we find you have under reported sales by two percent (2%) or more, you will pay the Royalty Fee and all other past amounts due under the Franchise Agreement due to your underreporting, as well as interest and all our costs associated with conducting the audit. Audit costs vary depending upon where you are located, the condition of your financial records, what we audit and when. There are no audit costs to you if your records, reports and payment are in order and current.

ITEM 7: ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

CATEGORY OF EXPENDITURE	LOW AMOUNT	HIGH AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAID
Initial Franchise Fee[1]	$35,000	$75,000	Lump sum	Upon execution of Franchise Agreement.	Us
Expenses Associated with our Initial Training Program[2]	$0	$3,000	As Arranged	As Arranged	Third-party vendors and providers
Approved Vehicle[2]	$500	$5,000	As incurred	As Arranged	Third-party lessor
Equipment[4]	$0	$2,000	As incurred	As Incurred	Third-party suppliers
Initial Supply of Uniforms[5]	$250	$500	As incurred	As Arranged	Approved Supplier
IT Equipment, Computer System[6]	$0	$5,000	As incurred	As Arranged	Third-party supplier(s), including Approved Supplier(s)
Stationery, Sales Collateral and Office Supplies[7]	$500	$1,000	As incurred	As Arranged	Third-party suppliers
Professional Fees[8]	$3,000	$7,000	As incurred	As Arranged	Attorney; Accountant
Utilities and Internet[9]	$0	$1,500	As incurred	As Arranged	Utility companies
Franchise Local Marketing Requirement[10]	$6,000	$9,000	As incurred	As Needed	Third-party suppliers or our Approved Suppliers
Insurance[11]	$1,950	$3,000	As Arranged	Annual Premium	Insurance Company or Agent
Local Government or Authority Authorization, Approval, and Permits[12]	$250	$3,000	As Arranged	As Arranged	Third Parties
Licenses, Certificates, Memberships, and Qualifications[13]	$0	$3,000	As Arranged	As Arranged	Third Parties

CATEGORY OF EXPENDITURE	LOW AMOUNT	HIGH AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAID
Collaboration Fee[14]	$465	$465	As incurred	On or about the 10th of each month	Us (or an affiliate we designate in the future)
Platform Software Fees – 3 months[15]	$600	$750	As incurred.	As Agreed	Us
Other Required Software License Fees – 3 months[15]	$1,077	$1,227	As Arranged	As Agreed	Approved Suppliers for Third-Party Required Software
Additional Funds – 3 months[16]	$10,000	$20,000	As incurred	As needed	Third-party providers; subcontractors personnel and other employees; Us (Collaboration Fees)
Total Estimated Initial Investment[17]	**$59,592**	**$140,442**			

Explanatory Notes to Item 7 Chart:

Generally. Except as otherwise stated in this Item, all fees noted in this Item 7 are non-refundable. All fees due us under the Franchise Agreement will be collected at the time they are incurred through our EFT Program from a bank account that you choose. You must execute the Electronic Funds Withdrawal Authorization, in a form substantially similar to that attached as an exhibit to the Franchise Agreement, when you sign the Franchise Agreement to authorize us to collect all fees by EFT.

The total investment range disclosed in the Chart above is our estimate of the costs you will incur to open and commence operation of a Franchised Business out of a home office for an initial operations period of three (3) months; and is based primarily on the experience of our affiliate's franchisees operating similar franchised businesses in New Zealand.

The estimated range assumes that you will timely open your Franchised Business on or before the Business Launch Date (no later than 3 months from the signing of your Franchise Agreement).

1. **Initial Franchise Fee.** The Initial Franchise Fee, which is nonrefundable, is discussed in detail in Item 5. We do not finance the initial franchise fee or any other fees due under Franchise Agreement, or any other part of your investment in the business.

2. **Expenses Associated with our Initial Training Program.** You will be responsible for all costs and expenses associated with you and your required/designated trainees to attend the appropriate portions of our Initial Training Program (which is detailed more fully in Item 11 below). A portion of the initial training may take place at our corporate headquarters, currently in Pensacola, Florida, or other training facility location that we designate. We currently offer our Initial Training Program online, however, you may elect to attend initial training at our corporate headquarters. The total costs and expenses for you to attend our

Initial Training Program will vary depending on the number of people attending, how far you travel, and the type of accommodations you choose.

3. **Approved Vehicle.** You are required to lease or purchase a vehicle meeting our then-current System standards and specifications for use in connection with the Franchised Business the "Approved Vehicle", which we may require be branded with a vehicle wrap or otherwise under your Franchise Agreement. The low end of the estimate assumes you have an existing car that meets System standards and that you are willing to brand and use in connection with your Franchised Business. Otherwise, the estimated range here assumes that you will lease your Approved Vehicle and accounts for (a) three months of lease payments, and (b) an initial deposit. If you determine to purchase an Approved Vehicle outright or via a financing arrangement rather than leasing, then the amounts you expend prior to and during your initial 3-month period of operations may be more. Regardless, vehicle costs typically vary based on several factors, including without limitation, (a) the location of your franchise and demographics of the surrounding region, (b) competition among local dealers, (c) your credit, (d) the time of year, and (e) the kind of car you determine to lease and the terms of the lease agreement you are responsible for negotiating. We strongly recommend you consult a local vehicle sales or lease professional to determine your actual cost.

   As of the Issue Date, we require that your Approved Vehicle be a certain color we designate and that you undertake certain actions to ensure the vehicle is properly branded with the trade dress, marks and other information about the System we designate. The amounts associated with complying with our current System requirements is accounted for in the range above.

4. **Equipment**. This estimated range includes the cost of (i) office equipment and related fixtures, including a printer/scanner/copier, for use in connection with the Franchised Business, (ii) certain sales materials for the sales staff of your Franchised Business, and Certain of these costs may vary based upon local government requirements and local wage rates.

5. **Uniforms.** This estimate is the approximate amount charged by our Approved Supplier for our branded uniforms for you (or your operating principal if you are an entity) and up to two (2) additional personnel.

6. **Computer System.** This is the estimated range if you need to acquire the computer hardware and software that we designate, and you must use in connection with your Franchised Business (collectively, the "**Computer System**"). See Item 11 of this Disclosure Document for additional information on specific components of our currently designated computer system under the heading "Computer Hardware and Software." Note that the ongoing Platform Software Fee and license fees for other Required Software is described in Note 15 below.

7. **Stationery, Sales Collateral and Office Supplies.** This estimated range is designed to cover items such as business cards, leaflets, order pads, completion certificates, and standard business stationery. You can purchase these items from us or a third party, subject to the materials purchased being in line with defined System and brand standards for appearance and quality, including those related to display of the Proprietary Marks.

8. **Professional Fees.** You may need the assistance of an attorney, accountant or other consultants to assist in establishing your franchised business. These fees may vary from

location to location depending upon (a) where you are located, (b) the laws where your Permitted Territory and/or Franchised Business are located and whether such laws require a franchisee to undertake state-specific legal compliance action items that require professional engagement, and (c) the prevailing fees of the third-party professionals you determine to use to help you ensure that your Franchised Business and opening comply with all applicable laws.

9. **Utilities and Internet.** You will need access to the Internet to conduct your Franchised Business, and we recommend that you have high speed Internet access. Typical utilities, including electric, will also be required. This estimate assumes that you will likely be operating from a home office and, as such, will not be incurring any additional investment to use the utilities/Internet already at your home in connection with your Franchised Business.

10. **Franchisee Local Marketing Requirement.** Your Franchisee Marketing Requirement each month during the term of your Franchise Agreement is the greater of (i) 2% of the Gross Sales generated by the Franchised Business during the preceding calendar month, or (ii) $2,000. The estimate in the Chart above assumes you will expend the minimum of $2,000/month. This is just the minimum you must expend; but we encourage you to review your advertising and promotional plan with your business advisors and us to help determine whether or not you might want to expend more than the minimum in your first three months of operation. This estimate assumes that you start local marketing approximately one month prior to attending the Initial Training Program and commence operations of your Franchised Business within three months thereafter, which is your Business Launch Date.

    We do expect that you will make efforts to work in collaboration with other System franchisees and other Business owners, as you determine appropriate as part of your ongoing marketing strategy, within your Permitted Territory and/or surrounding region(s) to form Cooperatives or otherwise pool resources to create collaborative marketing campaigns and efforts designed to increase the market reach and penetration associated with your Franchisee Marketing Requirement funds.

    All amounts you expend in connection with a Cooperative or other collaborative marketing efforts we authorize will be credited towards your Franchisee Marketing Requirement.

11. **Insurance.** See Item 8 for additional information on the kinds of insurance you must acquire prior to commencing operations of your Franchised Business and maintain (and/or modify if and as we advise in the Manuals or otherwise in writing) throughout the term of your Franchise Agreement. The estimate is approximately 3 months of insurance premiums. Your payments may vary based on (a) your location, (b) the applicable laws, if any, regulating any of the Approved Services that our System franchisees are authorized to provide; and (c) other factors that insurance companies typically look at when making such a determination, including the interval at which you are willing to pay your premium.

12. **Local Government or Authority Authorization, Approval, and Permits.** You are required to obtain all licenses, permits, certificates or approvals necessary for you to be able to offer and provide the Approved Services and otherwise construct, open and operate your Franchised Business from the Approved Location and within your Permitted Territory. Local, municipal, county, and state regulations will likely vary on what licenses and permits will be required based on where your Franchised Business is located. The

estimate above may not account for any state-specific licenses or other regulatory/legal requirements that we strongly recommend and encourage you investigate and review with your own counsel and/or other business advisors prior to purchasing this franchise.

13. **Licenses, Certificates, Memberships, and Qualifications.** You may be required to obtain licenses, certificates, memberships and qualifications for you to be able to offer and arrange for the installation of the Approved Products and otherwise develop, open and operate your Franchised Business. The costs associated with jurisdiction-specific certifications and approvals will likely vary greatly from one jurisdiction to the next, so please make sure you research and discuss these requirements with your attorney and other business advisors with specific knowledge of the area where you are looking to operate before you enter into any agreement with us.

14. **Collaboration Fee**. We use the Collaboration Fee as we determine appropriate to defray the costs associated with activities we determine appropriate to foster franchisee and System collaboration and/or communication. Such activities may include but are not limited to: (i) conducting a quarterly business review of franchised locations and, as we determine appropriate, analyze and utilize this information to convey best practices and/or other franchisee network data, to disseminate "best practices" and/or our information; and (ii) planning and/or conducting *ad hoc* events (such as meeting with preferred suppliers) for System franchisees and owners.

15. **Platform Software Fees; Other Required Software Fees.** These estimates are for the Platform Software Fees you will incur to license the System Software Platform on an ongoing basis, and the third-party license fees payable to our Approved Supplier for other Required Software you must use in connection with your Franchised Business (i.e., bookkeeping/accounting software; project management software), for one to two users for a period of three (3) months.

16. **Additional Funds – 3 months.** We recommended that you have a minimum amount of working capital available to cover other direct costs and business expense you might incur during this period of operations. We cannot guarantee that you will not have additional expenses, but we believe this estimate is reasonable based on our experience to date and estimates we have received from third-party suppliers. We cannot guarantee that our recommendation will be sufficient. Additional working capital may be required if sales are low or operating costs are high. These expenses are typically not refundable. The required funds will vary by market, how closely you follow our methods and procedures; your management skills, experience and business acumen; the relative effectiveness of your staff; local economic conditions; competition in your market; the prevailing wage rate; your investment in marketing programs and the sales level you reach during the initial period; your decision to purchase additional tools for the purpose of establishing a project design vs. outsourcing any such requirement.

    This range does not account for a salary draw or other compensation for you as the owner of the Franchised Business; but it does account for compensation for certain key roles (such as a Qualified Contractor/Project Manager or Superintendent, if necessary, salesperson or business administrator) if you are fulfilling one or more of those roles. This estimate does not include Royalties, National Brand Marketing Fund, debt service or any of your personal living expenses, even if the Franchised Business is based out of your home. The estimate also includes three (3) months of Collaboration Fees that you must pay under your Franchise Agreement.

We've relied on our experience on preparing these figures but, the estimates you will incur may vary from the estimated initial investment we have disclosed in this Item. You should review these estimates on your own, preferably with a business advisor of your own choosing.

17. **Total Estimated Initial Investment.** The figures in this table are only estimates. In calculating these estimates, we relied on (a) the experience of our affiliates in franchising a substantially similar concept in other countries and our first full year of operation in the U.S.; and (b) estimates we have received from certain third-party vendors and/or developed based on our research. We do not offer direct or indirect financing to you for any items. The availability of financing through third-party lenders, if any, will depend on factors such as the lending policies of such financial institutions, the collateral you may have, your creditworthiness, and the general availability of financing. Unless otherwise noted above, all the expenditures listed in the Item 7 Chart above are non-refundable.

ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate all aspects of your Franchised Business in strict conformance with the methods, standards and specifications of our System. Our methods, standards, and specifications will be communicated to you in writing when we evaluate your proposed location for the Franchised Business, during training, before you conduct your initial advertising, during on-site opening assistance, during periodic visits to your Franchised Business and through periodic bulletins and the Manual and other proprietary guidelines and writings that we prepare for your use in connection with the Franchised Business and System. We may periodically change our System standards and specifications from time to time, as we deem appropriate or necessary in our sole discretion, and you will be solely responsible for costs associated with complying with any modifications to the System.

Approved Suppliers for Certain Required Items Related to Operations Generally

We have the right to require you to purchase or lease any items or services necessary to operate your Franchised Business, including but not limited to project management and financial management software, inventory, equipment, fixtures, marketing content/services, software and other technology, along with any branded or proprietary items we have now or develop in the future, from a supplier that we approve or designate (each, an "**Approved Supplier**"), which may include us or our affiliate(s).

We will provide you with a list of our Approved Suppliers in writing as part of the Manual or otherwise in writing, and we may update or modify this list as we deem appropriate.

As of the Issue Date, we have suppliers who we have determined meet our current System standards and specifications for the following items to operate your Franchised Business: (i) Required Software, including the System Software Platform, accounting software and project management software; (ii) online and traditional marketing media, management systems and related services; and (iii) building and renovation-related products and services.

As of the Issue Date, we are the designated Approved Supplier for: (a) the System Software Platform, (b) the training we provide as part of our Initial Training Program (for which you must pay the Initial Training Fee), (c) any services or items that we determine appropriate to provide to System franchisees as part of any Technology Fee we determine to establish in the future, and, (d) certain optional online marketing services that we may make available to System franchisees.

Except as provided above, neither our affiliates nor we are an Approved Supplier for any item you must purchase or lease in connection with your Franchised Business. Neither our officers nor we own any ownership interest in any other Approved Supplier from which we require you to make purchases as of the Issue Date of this Disclosure Document (other than us).

Project-Related Materials and Products; Corresponding Suppliers

You will be solely responsible for ensuring that all Approved Products and Approved Services you offer and provide to any prospective or existing Client pursuant to a services agreement are (a) legal to sell, install or otherwise use and/or undertake, as applicable, within the area where the Client home or apartment at issue is located; (b) of high quality and reputation within the industry; and, (c) not listed on our then-current Banned List of Items and Suppliers.

You are also responsible for ensuring that each Qualified Contractor or other party you engage, or otherwise arrange to, provide any Approved Product or Approved Service (a) can provide such Approved Products and/or Approved Services in compliance with applicable laws where the Client property at issue is located; and (b) is not listed on our then-current Banned List of Items and Suppliers.

We are not obligated to review and approve any product, service, Qualified Contractor and/or other supplier you expect and intend to use in connection with a Client project before you undertake that project; but, we reserve the right to require that you (a) provide us with the details of the project and corresponding products/services/suppliers at issue prior to undertaking that project for our System records; (b) timely respond to any follow-up inquires that we make regarding the foregoing information; and, (c) ensure that no item or supplier you are using in connection with the Client project is listed on our then-current Banned Item and Supplier List.

Regardless of whether we make this inquiry, which you must respond to within 10 days of the date we make such a request in writing, we will not have any kind of liability, exposure, or responsibility in connection with the Project-Related Materials and Products, corresponding suppliers and/or Qualified Contractors you determine to use in connection with your Franchised Business or any Client project.

As previously disclosed in Item 1, the Project-Related Materials and Products will be comprised of most interior renovation products that are designed for use in residential homes and apartments that (a) are legal for use in connection with the Client project at issue where the Client is located, (b) can be installed or otherwise used in connection with the project by your Qualified Contractor (as defined below) in compliance with the laws where the Client project is undertaken, (c) are not listed on our then-current Banned List of Items and Suppliers, and (d) are supplied by a third-party supplier that is not listed on our Banned List of Items and Suppliers.

Any Project-Related Materials and Products that meet the above criteria will be deemed “Approved Products,” unless and until such time (a) we designate such materials or products on our then-current Banned List of Items and Suppliers; and/or, (b) the products are not legal to provide under applicable law where you are operating the Franchised Business or performing the Client project at issue. Again, we will have no liability in connection with the Project-Related Materials and Products you determine to provide in connection with any Client project.

As of the Issue Date, we may have identified some preferred suppliers for such Project-Related Materials and Products, and we reserve the right to designate them as Approved Suppliers for the respective items they sell (if and as we determine appropriate) in the future.

We do not reject or "ban" any third-party supplier you wish to use, so long as that supplier can demonstrate it (a) has the appropriate licensing, training and/or other qualifications necessary to serve as a Qualified Contractor with respect to the Approved Product(s) and/or their installation or other use in connection with any Client project; (b) has experience and good reputation in the construction industry; and, (c) is not offering and providing anything that is listed on our then-current Banned List of Items and Suppliers.

Examples of why we might subsequently ban a previously approved material, product or given supplier include, but are not limited to, criminal or dishonest activity on part of supplier, poor product quality, poor service or any history of customer complaints or inappropriate action within a customer's home.

Approved Services

Aside from marketing and promoting the Franchised Business within the Permitted Territory, the Approved Services you will typically be authorized (and required) to provide as a System franchisee include:

(i) soliciting prospects that have not already been (a) recruited by, or (b) allocated to, another System Business, and subsequently entering such prospective Clients into the System database using the System Software Platform;

(ii) further soliciting, negotiating, and entering into services agreement(s) with, prospective Clients that (a) you have directly solicited and entered into the System Software Platform, and (b) we otherwise allocate to you via the System Software Platform, Call Center and/or other method we determine appropriate; and

(iii) project management and administration services with respect to the Business and Client projects to ensure the timely performance of the renovation and/or remodeling-related services consistent with the terms of a given Client's service agreement utilizing only (a) third-party contractors or other personnel that are Qualified Contractor(s) that have any and all required certifications, training, experience, permits, credentials and/or other qualifications necessary to provide such services under any applicable law (each, a "Qualified Contractor"), and (b) Project-Related Materials and Products and corresponding suppliers of such items that are not listed on our then-current Banned List of Items and Suppliers.

Approval of Products, Services or Suppliers Listed on Banned List of Items and Suppliers

As we note above, we will typically trust our System franchisees to only propose products and suppliers that are of high quality and that otherwise have an established reputation in the industry. As long as this is the case, we will typically not reject or ban the subject of our franchisee's proposal and the products and/or suppliers they propose will be deemed approved, unless and until we convey otherwise in our Banned List of Items and Suppliers or other writing.

We may, but are not obligated to, review and grant your request to: (i) offer any products or services in connection with your Franchised Business that are listed on our then-current Banned List of Items and Suppliers; or (ii) provide any products or services that is not typically associated with residential home or apartment renovations and remodeling projects.

If you desire to undertake either of these actions, you must request and obtain our approval in writing before: (i) using or offering the non-approved product or service in connection with your Franchised Business; or (ii) purchasing from a non-approved supplier. We may ask you to submit

samples or information so that we can make an informed decision whether the goods, equipment, supplies, or supplier meet our specifications and quality standards. In evaluating a supplier that you propose to us, we consider not only the quality of the particular product at issue; but also the supplier's production and delivery capability, overall business reputation, and financial condition. We may provide any alternate supplier you propose with a copy of our then-current specifications for any product(s) you wish the supplier to supply, provided the supplier enters into a confidentiality and non-disclosure agreement in the form we specify. We may also inspect a proposed supplier's facilities and test its products, and request that you reimburse our actual costs associated with the testing/inspection. If we incur any costs in connection with testing a particular product or evaluating an unapproved supplier at your request, you must reimburse us for our reasonable testing costs, regardless of whether we subsequently approve the item or supplier.

We will notify you in writing within 30 days after we receive all necessary information and/or complete our inspection or testing to advise you if we approve or disapprove the proposed item and/or supplier. The criteria we use in approving or rejecting new suppliers is proprietary, but we may (but are not required to) make it available to you upon request. Each supplier that we approve of must comply with our usual and customary requirements regarding insurance, indemnification and non-disclosure. If we approve any supplier, we will not guarantee your performance of any supply contract with that supplier under any circumstances. We may re-inspect and/or revoke our approval of a supplier or item at any time and for any reason to protect the best interests and goodwill of our System and Proprietary Marks. The revocation of a previously approved product or supplier is effective immediately when you receive written notice from us of revocation and, following receipt of our notice, you may not place any new orders for the revoked product, or with the revoked supplier.

Required Purchases and Right to Derive Revenue

We estimate that the costs of your purchases from designated or approved sources, or according to our standards and specifications, may range from 75% to 95% of the costs of establishing your Franchised Business, and approximately 60% - 80% of the total cost of operating your Franchised Business after that time. We may designate sources, including affiliated entities, for additional goods and services in the future. If we designate sources for additional goods and services, we may receive revenue, rebates, commissions or other material consideration from franchisee purchases.

We also reserve the right to derive revenue from any of the purchases our System franchisees are required to make in connection with the Franchised Business. As we are a new franchise offering, neither we nor any of our affiliates have generated any revenue from our franchisees' purchase of any Required Items in the past fiscal year ending December 31, 2020.

Under some circumstances, we may derive income in the form of rebates or marketing allowances paid to us by certain approved vendors or distributors, which you must use. These rebates or marketing allowances may be used to purchase certain marketing, promotion and creative services for the benefit of our network of locations.

Neither we nor any of our affiliates have received any rebates from Approved Suppliers related to purchases made by our franchisees from these third-party suppliers. However, we reserve the right to obtain rebates in the future, which we expect will likely be based on a percentage of the total sales volume of purchases made by our franchisees from the third-party suppliers in the past fiscal year.

Franchisee Compliance

When determining whether to grant new or additional franchises, we consider many factors, including your compliance with the requirements described in this Item 8. You do not receive any further benefit as a result of your compliance with these requirements, other than avoiding termination.

Advertising

You must obtain our approval before you use any advertising and promotional materials or plans in connection with your Franchised Business if we have not prepared or approved them during the 12 months prior to the date of your proposed use. We may revoke our approval of any previously approved advertising materials upon notice to you. We reserve the right to require you to include certain language on all advertising to be used locally by you or to be used by any Cooperative, including the phrase “Franchises Available” and references to our telephone number and/or website.

We may require you to prepare an initial comprehensive local advertising plan and program prior to opening the Franchise Business that details your budget and anticipated expenditures for the Franchisee Marketing Requirement for your first year of operations, which is subject to our approval. We may also require you to prepare annual marketing plans in subsequent years of operation.

As previously disclosed, we encourage and expect that you will work in collaboration with other System Businesses that are operating within your Permitted Territory and/or surrounding region(s) to pool your Franchisee Marketing Requirement funds and expend such amounts on collective marketing campaigns and efforts (as part of a Cooperative or as we otherwise authorize).

Approved Location and Lease

If you are not operating from a Commercial Space, then you must operate from a home office that affords you a dedicated working space and that otherwise meets any System standards set forth in the Manuals or otherwise provided by us in writing. If you are operating a Commercial Space, you must obtain our approval of the proposed location for your Approved Location before you secure such location. You must also provide us with a copy of any contract of sale or lease for the Approved Location for our review before you execute the contract or lease, and we may condition our approval of your proposed site on you and your landlord’s execution of our prescribed form of Collateral Assignment of Lease and lease addendum (the current version of which is attached as an Exhibit to your Franchise Agreement). You must also ensure that you comply with all our System standards and specifications related to the build-out, remodeling and/or construction of your Commercial Space at the Approved Location at all times throughout the term of your Franchise Agreement. Our approval of any proposed site for your Approved Location does not constitute a guaranty or representation that your Franchised Business will achieve any particular level of success at that location.

You will be responsible for all fees, costs and expenses that are incurred in connection with obtaining an Approved Location. We do not currently have any Approved Supplier(s) for site selection services or assistance, but we may designate and require that you use such a supplier in the future.

Insurance

You must purchase and maintain the types and amounts of insurance that we designate in our

Manuals or otherwise in writing, including: a general liability policy for the Franchised Business with minimum limits of $2,000,000 for personal injury, completed operations, contractual liability, and products liability ($2,000,000 per occurrence for personal injury and $2,000,000 per occurrence for property damage); fire, vandalism, and extended coverage insurance with primary and excess limits of not less than the full replacement value of the Approved Location of the Franchised Business and its furniture, fixtures, and equipment; auto insurance for all vehicles used in connection with your Franchised Business, which will include liability coverage in the minimum amount of $1,000,000 per year, as well as commercial auto insurance, which will include collision and comprehensive coverage as well as liability coverage in the minimum amount of $250,000 per person and $500,000 per accident per year, or the minimum required by state regulations, whichever is greater; employer's liability, workers' compensation, and such other insurance as may be required by statute or rule of the state or locality; business interruption insurance in the amounts and with terms we deem acceptable; insurance for your designated manager, if applicable, in an amount at least equal to the sum of the Royalty Fee payable for the balance of the term; directors and officers insurance in the amounts and with terms we deem acceptable; professional errors & omissions coverage in the amount of $1,000,000; Cyber liability insurance providing at least $1,000,000 of coverage; and, insurance as necessary to provide coverage under the indemnity provisions of the Franchise Agreement.

We may designate an Approved Supplier for insurance at some point in the future, and you must always furnish us with certificates of insurance (or, at our request, copies of all insurance policies), evidencing the existence and continuation of the insurance coverage required by the Franchise Agreement. All policies must contain a waiver of subrogation in our favor, and must name us and any additional parties we designate as additional insureds (except with regards to workers' compensation insurance).

Computer Hardware and Software

You must lease or purchase the computer hardware and software necessary for the operation of your Franchised Business, along with the proprietary software we require. You must obtain the proprietary software from our Approved Suppliers.

You must pay the monthly and initial fees associated with the proprietary software, and you will be responsible for the costs of maintaining the computer hardware and proprietary software used in connection with your Franchised Business.

You must purchase all computer hardware, software and peripherals in accordance with our System standards and specifications. We may require you to purchase any of these items from one of our Approved Suppliers. Your Computer System must have network access through a wireless provider. We may require you to purchase any of these items from one of our Approved Suppliers.

ITEM 9: FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other areas of this Disclosure Document.

Obligation	Section in the Franchise Agreement	Item Number in this Disclosure Document
a. Site selection and acquisition/lease	Sections 2.2, 2.3, 5.5, and 6.1 and Exhibit A	Items 1, 11 and 12
b. Pre-opening purchases/leases	Sections 6.1, 6.3 and 6.6	Items 7 and 8
c. Site development and other pre-opening requirements	Sections 5.5 and 6.1	Items 1, 6, 7 and 11
d. Initial and ongoing training	Sections 5.1 – 5.3, 6.2, 6.3 and 6.8	Items 6, 7 and 11
e. Opening	Sections 6.3 – 6.4	Items 7 and 11
f. Fees	Section 2, 4, 9.3 and 13.5.7	Items 5 through 8 and Item 11
g. Compliance with standards and policies/Operating Manual	Section 6 (generally)	Items 1, 8, 11, 12 and 16
h. Trademarks and proprietary information	Section 7	Items 1, 13 and 14
i. Restrictions on products/services offered	Sections 6.6, 6.10, 6.11, 6.12 and 6.19	Items 1, 8 and 16
j. Warranty and customer service requirements	Section 6.14 and Section 2	Items 1, 8 and 16
k. Territorial development and sales quotas	Sections 2.3, 2.4 and 6.20	Items 1 and 12
l. Ongoing product/service purchases	Sections 5, 6 and 9	Items 1, 8 and 11
m. Maintenance, appearance and remodeling requirements	Sections 3.2, 6.6, 6.11 and 13.5	Items 6 and 17
n. Insurance	Section 11	Items 6, 7 and 8
o. Advertising	Sections 2.3, 2.4, 4.1.5, 5.7, 5.8 and 9	Items 1, 6, 7, 8, 11, 12 and 16
p. Indemnification	Sections 7(L) and 12(C)	Items 6, 13 and 17
q. Owner's participation, management and staffing	Sections 6.16 and 6.19	Items 1, 11 and 15
r. Records and reports	Sections 4.4 and 10	Items 1, 8, 11, 12 and 16
s. Inspections and audits	Sections 5, 6 and 10	Items 6 and 11
t. Transfer	Section 13	Item 17
u. Renewal	Section 3.2	Item 17

Obligation	Section in the Franchise Agreement	Item Number in this Disclosure Document
v. Post-termination obligations	Sections 14.2 and 16	Item 17
w. Non-competition covenants	Sections 2.2 – 2.4 and 14	Item 17
x. Dispute resolution	Section 21	Item 17

ITEM 10: FINANCING

We do not offer direct or indirect financing. We will not guarantee your note, lease or other obligations.

ITEM 11: FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

Except as listed below, we are not required to provide you with any assistance.

A. Pre-Opening Obligations

Prior to the opening of your Franchised Business, we (or our designee) will or may, as applicable, provide you with the following assistance:

1. If you are operating your Franchised Business from a Commercial Space (subject to our approval), we may (but are under no obligation to) provide site selection guidelines and assistance (as described more fully below in this Item 11), as we deem appropriate in our discretion, in connection with selecting the Approved Location for each of your Franchised Business(es). We will review and advise you whether or not we approve of each site you propose as your Approved Location, which we may condition on a number of criteria (as described more fully below in this Item) (Franchise Agreement, Sections 2.2 and 5.5);

2. We will define your Permitted Territory for the Franchised Business and include its boundaries in the Data Sheet attached as an Exhibit to your Franchise Agreement (Franchise Agreement, Section 2.3 and Section 2 of Data Sheet);

3. We will provide you with access, online or otherwise, to our confidential and proprietary Manual. You must operate your Franchised Business in accordance with the Manual and all applicable laws and regulations. The Manual may be amended or modified by us to reflect changes in the System. You must keep the Manual confidential and current, and you may not copy any part of the Manual. You must be able to always access the Manual when you are at your Approved Location or in your Approved Vehicle, and if there is a dispute relating to the contents of the Manual, then the master copy (which we maintain at our corporate headquarters) will control. We reserve the right to disclose updates to the Manual in writing in any manner, including electronic means such as e-mail, our website and any intranet or extranet that we establish in connection with the System. The Manual consists of many different manuals that cover a variety of specific topics. The tables of contents from all of our subject-specific manuals are attached to this Disclosure Document as Exhibit B and, all together, total approximately 175 pages (estimated given content of Manual is currently online at 6.5 MBs) (Franchise Agreement, Section 5.4 and 8);

4. We will provide you with a list of our Required Items and Approved Suppliers (to the extent we have designated them), along with our then-current Banned List of Items and Suppliers to the extent that we have any, either as part of the Manual or otherwise in writing (Franchise Agreement, Section 5.4.1).

5. We reserve the right to review and approve your proposed layout and design of your Commercial Space, as applicable, as well the equipment, furniture and fixtures used in connection with your Franchised Business, as we deem appropriate and advisable in our discretion (Franchise Agreement, Section 6.1);

6. Provide you with guidance and/or directives in connection with how to expend your Franchisee Marketing Requirement, to the extent applicable and as we determine appropriate, prior to the opening of your Franchised Business (Franchise Agreement, Sections 5.7 and 9); and

7. Provide you with our initial training program that covers material aspects of the operation of the franchised business (the "**Initial Training Program**"), as described more fully in the next portion of this Item 11 (Franchise Agreement, Section 5.1).

B. Initial Training

We will provide you and up to two (2) other management personnel you designate with our proprietary Initial Training Program in the use of our System methods and techniques to establish and operate your Franchised Business (Franchise Agreement, Section 5.1).

1. Typically, our Initial Training Program is composed of: (i) approximately 21 to 28 hours (three (3) to four (4) days) of training either on-line or at our designated training facility in Florida, or another training facility located within the United States that we designate; and (ii) approximately 14-28 hours (two (2) to three (3) days) of assistance on-line or on-site , as we determine appropriate in our discretion, that our representative(s) will provide to you at or around the time you launch operations of your Franchised Business and start soliciting potential customers (the "**On-Site Assistance**"), which we will only provide after you have completed the training at our designated training site.

2. We will provide this training to you and up to two (2) other management or key role personnel, as part of the Initial Training Fee you are required to pay upon execution of your Franchise Agreement, provided these attendees attend the first portion of the training at the same time.

3. You are solely responsible for all costs and expenses you and your designated attendees incur in connection with: (i) attending the portion of our Initial Training Program tif it takes place at our corporate training location in Florida or other location in United States we designate; and (ii) ensuring that you and your initial personnel, including any sales personnel you intend to use when the Franchised Business initially launches on the Business Launch Date, participate in and complete the On-Line or On-Site Assistance within your Territory .

4. You must complete our Initial Training Program to our satisfaction prior to commencing operation of your Franchised Business. If you are a partnership, corporation or limited liability company, at least one of the trainees must be your general partner, principal shareholder, or managing member as appropriate. If you have appointed a manager to run the day-to-day operations of the Franchised Business (the "**Designated Manager**"), then this Designated Manager must also attend the Initial Training Program.

5. Your Franchised Business will have been deemed to have launched and commenced operations the day after we notify you that you have successfully completed the Initial Training Program.

6. Below is a Training Chart with the details of the Initial Training Program, including the On-the-Job Assistance. We expect that: (i) we will provide the training program once per calendar month, subject to the availability and schedules of our trainer personnel; (ii) we will provide you with access to the Manual(s), along with other written training materials and/or PowerPoint presentations (online or otherwise), that will serve as the primary instructional tools used in conjunction with the program; and (iii) attendees will advance through the training program at different rates depending on a variety of factors including background and experience. The obligations described above in this Part B of this Item 11 are tied to the obligations set forth in Sections 5.1 and 6.2 of the current form of Franchise Agreement.

7. The time frames in this Initial Training Program Chart are an estimate of the time it will take to complete training, and the number of hours required might be less if you already have certain skills and experience related to the Business operations.

8. Paul English will oversee the development and administration of the Initial Training Program and provide instruction to other training professionals. Mr. English has 30 months of experience with our brand and us and will typically coordinate the delivery of training by utilizing System training resources, materials and training personnel. Mr. English may appoint and utilize a number of additional training personnel to provide all of some components of the Initial Training Program, and we expect that all such additional or substitute trainers will have been trained by an individual that has multiple years of experience with us and/or our brand and/or in connection with the subjects upon which they are providing instruction to a new System franchisee.

INITIAL TRAINING PROGRAM

Subject	Approximate Hours of Classroom Training	Approximate Hours of On-the-Job Training	Location
Induction	21 - 28	0 – 2	On-line, Head office – Pensacola; at franchisee's location
Business management	0	2 – 4	At franchisee's location/On-line
Business administration	0	2 – 4	At franchisee's location/On-line
Marketing	0	2 – 5	At franchisee's location/On-line
Lead management and sales	0	4 – 6	At franchisee's location/On-line
Project delivery	0	4 – 7	At franchisee's location/On-line

Subject	Approximate Hours of Classroom Training	Approximate Hours of On-the-Job Training	Location
TOTALS	**21 - 28**	**14 – 28**	

As disclosed in Items 1, 8 and elsewhere in this Disclosure Document, we expect (and this franchise offering assumes) that you will only recruit, hire and engage Qualified Contractors that are properly licensed and qualified to install the Approved Products and otherwise perform the services necessary to complete the orders placed by customers of the Franchised Business.

Some special or additional training or third-party approval that you or your Qualified Contractor must acquire to provide certain Approved Products and/or Approved Services to a Client within the Permitted Territory may be necessary; but only if you elect to provide such products and services. You must ensure that all such training is completed if such Approved Products and/or Approved Services are utilized for a Client project. This is training that is required under applicable law rather than by us directly. (Franchise Agreement, Section 6.3 and 6.5).

C. Typical Length of Time before Operation

1. You must commence operations from a home office (or Commercial Space if you choose) on or before the Business Launch Date, which will not be more than three (3) months from the date you sign your Franchise Agreement. From the time you execute your Franchise Agreement, we estimate that it will take between one (1) to three (3) months to open the Franchised Business. You may elect to establish a Commercial Space; but we expect that you will initially launch and commence operations from with your home office serving as your Approved Location (Franchise Agreement, Section 6.4).

2. Your Franchised Business will be deemed to have launched and commence operating as of the day after we provide you with the Initial Training Program described in this Item 11 (Franchise Agreement, Section 6.4).

3. If you do not launch and commence operations of your Franchised Business within this three (3) month timeframe; then, we may (but are under no obligation to) terminate your Franchise Agreement (Franchise Agreement, Section 6.4).

4. This three (3) month deadline is your “Business Launch Date” in the Data Sheet to your Franchise Agreement; but we may mutually agree to a different date if it appears you are in a position to launch at an earlier date or circumstances warrant an extension of the Business Launch Date.

5. Please note that certain recurring payment obligations that commence upon the Business Launch Date will accrue, regardless of whether you timely open (Franchise Agreement, Section 4.1).

D. Post-Opening Obligations

After the opening of your Franchised Business, we (or our designee) will or may, as applicable, provide you with the following assistance:

1. We may offer, and require you and your management to attend, additional training programs and/or refresher courses, as we determine is necessary (“**Additional Training**”). With

the exception of Remedial Training, we will not require you and/or your management to attend more than: (i) two (2) sessions Additional Training per year, which, combined will not exceed seven (7) days and may take place at a location that we designate; and (ii) 24 hours of Additional Training via webinar, Skype or other medium that allows for remote attendance and completion. We may also provide and require that you attend and complete Remedial Training if you are in default of your Franchise Agreement or if your required trainees fail to complete any Additional Training, as described more fully in Item 6. We have the right to charge you our then-current Training Fee for such Remedial Training. For both Additional Training and Remedial Training, you will be responsible for all expenses incurred by you and your personnel attending. Additionally, if we provide any Additional Training or Remedial Training at your Approved Location, we may require you to pay us our then-current training fee for such training (Franchise Agreement, Section 5.3);

2. We may provide you with continuing consultation and advice, as we determine is necessary, to manage and operate the Franchised Business. We may provide this assistance by telephone call, online video, or any other communication channel, as we determine is advisable and subject to the availability of our personnel. Certain of this advice and consultation may be provided based on certain reports, Client satisfaction surveys and other brand quality measurements we require to operate your Franchised Business; and such advice/consultation will be subject to your timely provision of any reports we require you to submit (Franchise Agreement, Sections 5.6 and 10).

3. We will approve or deny any advertising/marketing materials you want to use for your Franchised Business, as well as administer the Fund, as described more fully below in this Item 11 under the heading “Advertising and Marketing.” We may require that you purchase any such materials from an Approve Supplier, including us or our affiliates (Franchise Agreement, Section 5.7);

4. We will, as we determine is appropriate, conduct inspections and/or audits of the Franchised Business; upon 48 hours’ notice of the Approved Vehicle(s); and, if applicable, your Commercial Space to ensure that you are operating the Franchised Business in compliance with the terms of the Franchise Agreement, the Manual and the System standards and specifications (Franchise Agreement, Section 5.11);

5. As a general matter, we will provide you with a list of: (i) certain Approved Products for your Franchised Business; and (ii) our then-current Banned List of Items and Suppliers (if any) that may not be used for any Client project (Franchise Agreement, Section 5.4);

6. We may schedule and hold a franchise conference, as we determine is advisable, to discuss the current state of the System and improvements to the System; to hold discussion forums for System franchisees; and, to recognize certain franchisees. If we schedule a conference, we can require you to attend for up to five (5) days each year. You will be responsible for the costs and expenses you incur to attend any franchise conference; but, we will not charge any attendance/registration fee (Franchise Agreement, Section 5.12); and

7. We will establish, and you must work with and not attempt to circumvent, any System-related Call Center we administer to help facilitate the promotion of Business locations and/or facilitate the allocations of prospective Client leads to such Businesses in accordance with our then-current System policies and procedures (Franchise Agreement, Section 9.3.7) and as defined in Background).

E. Advertising and Promotion

1. *Franchisee Local Marketing Requirement.* Franchisee must invest timely in local marketing to generate sufficient leads to achieve the Minimum Productivity Levels. Your Franchisee Marketing Requirement obligates you to expend the greater of (i) two 2% of the Gross Sales generated by your Franchised Business during each six (6) month period of the Initial Term; or (ii) a minimum expenditure in the amount of $12,000 during each six (6) month period of the Initial Term on local advertising and promotion of the Franchised Business. Other than the on-line marketing and advertising that we or our affiliate manage on your behalf (any you will pay to us), you will pay for your advertisements and promotions directly. We will approve the advertising, promotions and public relations plan and its creative execution on a periodic basis, as we determine is necessary (Franchise Agreement, Section 9.3).

2. *National Brand Marketing Fund.* We have established a National Brand Marketing Fund for the benefit of the System and brand generally. The Fund Contribution you make to the National Brand Marketing Fund is 1% of the Gross Sales of your Franchised Business (Franchise Agreement, Sections 9.4 and 4.1).

a. We may administer and use the Fund to meet certain costs related to maintaining, administering, directing, conducting, and preparing advertising, marketing, public relations, and/or promotional programs and materials, and any other activities which we believe will enhance the image, goodwill or development of the System. We will designate all programs that the Fund finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. The Fund may also be used to cover the costs and fees to prepare and produce video, audio, and written materials and electronic media; website maintenance and development; internet advertising; administering regional and multi-regional marketing and advertising programs, including purchasing trade journal, direct mail, website, radio and other media advertising; and, using advertising, promotion, and marketing agencies and other advisors to provide assistance and supporting public relations, market research, and other advertising, promotion, and marketing activities. The Fund may be used for advertising materials/campaigns in printed materials or on radio or television for local, regional or national circulation, internet regional or national advertising, as we deem appropriate in our discretion. We and/or a regional or national advertising agency may be used to produce all advertising and marketing.

b. We will account for the Fund contributions separately from our other funds. We may not use the Fund for any of our general operating expenses, except to compensate us for the reasonable salaries, administrative costs, travel expenses and overhead we incur in administering the Fund and its programs, including conducting market research, preparing advertising, promotion, and marketing materials, and collecting and accounting for Fund contributions.

c. The Fund is not our asset or a trust, and we do not owe you fiduciary obligations because of our maintaining, directing or administering the Fund or any other reason.

d. The Fund may spend in any fiscal year more or less than the total Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will use interest earned on Fund contributions to pay costs before spending the Fund's other assets. We will not use Fund contributions for advertising that principally is a solicitation for the sale of franchises,

except that we may use/display the phrase "Franchises Available" on all advertising/marketing that is covered by the Fund.

e. We are not required to have the Fund audited, but we may do so and use the Fund Contributions to pay for such an audit. We will prepare an unaudited, annual statement of the Fund collections and costs and give it to you upon written request anytime 120 days after our fiscal year end for that Fund's year of collections and expenditures.

f. We may incorporate the Fund or operate it through a separate entity if we determine that is appropriate. Our affiliate-owned "corporate" locations, if any, will contribute to the Fund in the same manner that each franchised Business is required to contribute.

g. We are not required to spend any of your Fund Contributions in the Permitted Territory you are granted under your Franchise Agreement. If we do not spend all Fund Contributions each year, we may rollover any excess contributions into the Fund for use during the following year. We will have the right to modify or discontinue the Fund, as we determine is appropriate (Franchise Agreement, Section 9.4).

h. For the twelve-month period ending December 31, 2020, the National Brand Marketing Fund contributions were $4,894.82 and expenditures were the following percentages of total expenditures: Production Development (50%), Media Placement (30%), Administrative (20%); and, Other (0%). None of the expenditures were principally used to solicit new franchises. These expenditures were made on our behalf by our affiliate, Traffic New Zealand Limited, and will be charged to us during our current fiscal year.

3. *Cooperatives and Other Collaborative Marketing Efforts*. Although we are not obligated to do so, we may develop or approve various Cooperatives for the benefit of Franchised Businesses and/or other System Businesses that are operating within a given Permitted Territory and/or surround region(s). We reserve the right to collect and designate all or a portion of your Franchisee Marketing Requirement for a cooperative advertising program, in each case, in such amounts as we determine, and/or approve any such Cooperative or other collaborative marketing campaign or efforts prior to their implementation (Franchise Agreement, Sections 9.3.2 – 9.3.3).

4. *Advertising Councils*. We may also establish a council to provide advice and various other advertising/marketing matters (an "**Advertising Council**"). If we establish an Advertising Counsel, it will serve in only an advisory capacity and will consist of franchisees, personnel from our affiliate-owned Businesses and other management/employees who we designate. The membership of the Advertising Council, along with the policies and procedures by which it operates, will be determined by us. The recommendations of the Advertising Council will not be binding on us (Franchise Agreement, Section 9.5).

5. *(800) Number and Required Call Forwarding*. You will be required to get a unique (800) number to associate with your Franchised Business, and you must ensure that all calls made to this (800) number are forwarded to the then-current Call Center we establish to handle initial interaction and encounter with a prospective Client. We may require you to list that number in various online directories under the categories and any other category we specify from time to time (Franchise Agreement, Sections 9.3.7 and 9.4).

F. Computer System

1. You must purchase and use the hardware and software programs we require. You must purchase and use all the hardware and software set forth below to operate the Franchised Business. Your "business devices" (including desktop computers, laptops, tablets and mobile devices) must be exclusively designated to operate the Franchised Business and may not be used or shared for any other purpose, including without limitation, personal or home use (Franchise Agreement, Sections 4.4, 6.6, 10 and 11).

2. As of the Issue Date, the required computer hardware must be Internet and Wi-Fi enabled and you must have the ability to access this Wi-Fi (or Internet access at all times via mobile/cellular technology) from both the home office, throughout the Permitted Territory and from the Approved Vehicle(s). All devices must support the use of Google Chrome browser and Google "G-Suite" applications. We do not support other browsers or applications. All devices must be capable of playing high-definition video. All devices should be a model released in the last three (3) years unless we agree in writing. We reserve the right to require you to purchase a tablet for customer presentations and/or to specify certain models and makes of this tablet and the other computer hardware you will need to utilize, whether via the Manuals or otherwise in writing. If you already own any of the required computer hardware and are able to designate it for exclusive use for your Franchised Business, then, upon written request, you may use such hardware with our approval.

3. From time to time, you may have to update or upgrade your computer hardware. We may introduce new requirements for computer systems and the cost would be allocated to our franchises as disclosed in Item 6. There are no limits on our rights to do so (Franchise Agreement, Section 6.6).

4. You will, at your expense, lease or purchase the necessary equipment and software, and will have merchant arrangements in place with Visa, MasterCard, American Express, and such other credit card or gift card issuers as we may designate from time to time.

5. We have the right to access all information you collect or compile at any time, independently and electronically, without first notifying you (Franchise Agreement, Sections 4.4 and 6.6).

6. You must license and use all Required Software that we designate, including the System Software Platform. The System Software Platform is designed to help facilitate and organize pre-sales activities, including certain lead generation identification, monitoring and tracking, as well as any other functions we determine appropriate. In addition, we have Required Software that you must license and use from our third-party Approved Suppliers for accounting and project management software, the latter of which is designed to facilitate and track the progression of the Approved Services you provide to Clients of your Franchised Business.

7. We may also require that you access and review certain information regarding the System, including the Manual and other manuals and/or updates to the same, via any online site, web portal, intranet or other online site that is designed to provide access to only us, System franchisees and other Business owners (each, a "**System Site**"). We reserve the right to continue to develop this System generally and any new features and/or content added to the Manuals or otherwise conveyed in writing via a System Site will automatically become part of, and constitute a supplement to, the Manual, all of which you must comply with promptly after such functionality or content is implement and posted or otherwise listed on any part of the System Site (Franchise Agreement, Section 5.4).

G. Website and Internet Use

1. Except as approved in advance in writing by us, you must not establish or maintain a separate website, splash page, landing pages, profile, or other presence on the Internet, or otherwise advertise on the Internet or any other public computer network in connection with the Franchised Business, including any profile on Facebook, Instagram, LinkedIn, Pinterest, Twitter, YouTube or any other social media and/or networking site. Any such Internet website or presence is considered "advertising" and must be approved by us prior to use, as described in this Item. If we do permit you to establish one or more presences on the Internet, you must: establish and operate your online presence in accordance with System standards and any other policies we designate in the Manual or otherwise in writing from time to time; and, utilize any templates that we provide to you to create and/or modify such site(s), and delete or make any other changes we require immediately after being notified by us either by email, phone, face to face or any other communications mechanism (Franchise Agreement, Section 9.6).

2. We have the right to establish and maintain a website, that may, without limitation, promote the Proprietary Marks and/or the System (the "**Website**"). We control all aspects of the Website, including, without limitation, its design, content, functionality, links to other websites, legal notices, and policies and terms of usage. We have the right to modify our policies regarding your use of social media and Internet websites for your Franchised Business as we determine is necessary or appropriate in the best interest of the System. Only we (or our affiliate) can register the Internet domain names "www.refreshrenovations.com", "www.renovate-mag.com", "www.refreshfranchiseopportunities.com", and any other Internet domain names. You must not register any Internet domain name that contains words used in or similar to any brand name owned by us or our affiliates or any abbreviation, acronym, phonetic variation or visual variation of those words.

3. As of the Issue Date, the "People Profiles" content on our certain of our Website is an important aspect of building your business's local presence and the brand. We will have the right to use your "Profile" and image on any of the websites to promote your Franchised Business and our brand/System generally. You agree that you will obtain permission from all your team members to also be profiled on the websites and used to promote your business and the overall business. You agree to indemnify us against any claims, which may result from use of your staff profiles and images on the websites where you have not obtained such permission.

ITEM 12: TERRITORY

The Territory

We will grant you a license to use the System and trademarks for the operation of a Franchised Business within a designated territory identified by zip codes, boundary definitions and/or maps ("Permitted Territory"). We do not have a minimum physical size or population for a Permitted Territory. The size of the Permitted Territory is based on a variety of factors including annual renovation market size ("RMS"), travel distance, demographics and number of franchisees in the Territory. The RMS is determined based on the renovation market size data (by zip code) published by MetroStudy in 2018, or more current version if we determine that is appropriate.

You may locate your office within or outside the Permitted Territory at a location approved by us. You may not relocate your office for your Franchised Business without our prior written consent, which we will not unreasonably withhold. You will reimburse us for the reasonable costs and expenses that we incur in connection with evaluating and approving the proposed relocation. For

your initial period of operations, which may be 12 to 18 months, we expect and assume that you will operate from a home office.

Your Permitted Territory will not be exclusive. You may face competition from other franchises, from outlets that we own or control, from other channels of distribution and from other competitive brands. We will determine how many Franchised Businesses will be authorized to solicit Clients and otherwise operate within a single Permitted Territory based on the size and relevant demographics of that Permitted Territory (including the RMS data described earlier in this Item). We have the exclusive right to determine the boundaries of the Permitted Territory, the RMS for a Permitted Territory and the number of Franchisees that will operate Franchised Businesses within a Permitted Territory.

If we are the first to recruit and enter a prospective Client into the System Franchise Software (via any efforts or methods we institute or approve as part of the System); then, we will have the right to allocate that prospect as we determine is appropriate to the Franchised Business within that Permitted Territory (in accordance with our then-current System policies and procedures).

Any prospective Clients you communicate with and solicit directly must be entered into your System Software Platform and such information will become part of our "Confidential Information" described in Item 14.

Minimum Productivity Levels

Commencing six (6) months after the Business Launch Date, Franchisee must meet the following minimum productivity levels (collectively, the "**Minimum Productivity Levels**") in connection with its operation of the Franchised Business in each subsequent three (3) month period of operations that follows (each, an "**Applicable MPL Quarter**"), with such Minimum Productivity Levels based on how long the Franchised Business has been open and operating:

Time Period	Minimum Productivity Level (Gross Sales in Permitted Territory over Calendar Quarter at Issue)
First Six (6) Months following your Business Launch Date	You are not required to achieve a minimum level of Gross Sales.
Next 2 Calendar Quarters (Months 7 through 18 following your Business Launch Date)	$100,000 in Gross Sales per Applicable MPL Quarter
Months 19 through 36 following Business Launch Date	$200,000 in Gross Sales in each Applicable MPL Quarter
Month 37 and thereafter, following the Business Launch Date and through the Initial Term	$300,000 in Gross Sales in each Applicable MPL Quarter

If Franchisee fails to meet the applicable Minimum Productivity Levels for any Applicable MPL Quarter, Franchisor has the right to require Franchisee to participate in a business improvement plan. If Franchisee fails to participate in the business improvement plan or fails to meet the objectives of the business improvement plan to Franchisor's satisfaction, Franchisor has the right to send Franchisee a notice of default. If Franchisee is provided with such notice and fails to cure that default within the calendar quarter that Franchisee received the notice from Franchisor; then, Franchisor has the right to: (i) terminate this Agreement; or (ii) require Franchisee, its

management and any key role personnel Franchisor designates to attend Remedial Training and complete to Franchisor's satisfaction as part of Franchisee's required curative actions.

Activities Permitted Within and Outside Permitted Territory

Each System franchisee, within their respective Permitted Territory, will: (a) actively promote the Franchised Business, (b) solicit and recruit prospective Clients to enter into a services agreement for the provision of any Approved Services and/or Approved Products for a residential home or apartment; and (c) offer and provide those Approved Services and Approved Products.

As a System franchisee, you may not:

(i) communicate or attempt to contract with any prospective or existing Client that has been entered into the System Software Platform by another System franchisee, or us unless we subsequently allocate that prospect to you;

(ii) enter any information into the System Software System unless the information is related to a prospective Client that you have actually contacted and recruited via *bona fide* solicitation efforts; or

(iii) breach any agreement you have made with another Business owner or us regarding the allocation of Prospects generated from any collaborative marketing efforts or campaigns in which you participate (as part of a Cooperative or otherwise).

You may not solicit or recruit prospective Clients, promote the Franchised Business, or otherwise offer or provide Approved Services or Approved Products outside your Permitted Territory, unless you are referred to a prospect located in a neighboring territory by an existing Client you have serviced via your Franchised Business (and "**Eligible Referral Client**"). To contract with any Eligible Referral Client, you must first provide us and any Business owners located within the neighboring territory at issue with prior written notice that you expect and intend to enter into an agreement with that Client at or around the time you enter that Eligible Referral Client into the System Software Platform, along with the details of the corresponding referral; and, comply with our then-current System policies and procedure related to Eligible Referral Clients and referral business generally.

Your rights under the Franchise Agreement do not include: (i) any right to offer any Approved Product or Approved Service via e-commerce; (ii) any right to establish an independent website or to establish a URL incorporating the Proprietary Marks or any variation thereof; (iii) any right to sell Approved Products via wholesale; (iv) any right to distribute, market or implement our products and services in any channel of distribution not specifically identified in the Franchise Agreement; (v) the right to sub-license the franchise business in any fashion; or, (vi) the right to sell any portion of your Permitted Territory independent of your entire Franchised Business to another person or franchisee without our written permission.

Reservation of Rights

We and our affiliates/parents will have the exclusive right to:

(i) Open, establish and license others to own and establish Businesses utilizing the Proprietary Marks and System from a location that is outside of the Permitted Territory (regardless of proximity to that the Permitted Territory);

(ii) Open, operate and license others to open and operate businesses that operate under a mark or marks other than the Proprietary Marks, regardless of location;

(iii) Open, operate and license others to open and operate businesses that provide services and products other than the Approved Services, regardless of location (including businesses that offer similar services to commercial properties rather than residential homes or apartments);

(iv) use the Proprietary Marks and System to promote, offer and provide the Approved Products and Approved Services we determine appropriate via alternative channels of distribution, regardless of location, including without limitation, the promotion, offer and sale of the Approved Products via the Internet and other e-commerce channels, as well as via mail order catalogs, wholesale orders or retail stores; and, information regarding installation of the Approved Products and/or how to perform the Approved Services via do-it-yourself (DIY) or other video or audit instruction of any kind via any online service (*i.e.*, YouTube) that allows viewers to stream and/or download such content or via a physical media that customers can purchase or otherwise acquire (*i.e.*, a flash drive);

(v) acquire another company, or be acquired by another company – by merger, stock sale, asset sale or similar transaction – and subsequently engage in the operation of that company's business or license that company's business to third parties via a franchising program or otherwise, regardless of location, even if that company offers products and services that are similar to the Approved Products and Approved Services; and

(vi) use the Proprietary Marks and System, and license others to use the Proprietary Marks and System to engage in any other activities not expressly prohibited in this Agreement.

You will not have any of the foregoing rights under your Franchise Agreement, and we are not required to provide you any compensation if we or our affiliates conduct any of these activities.

Additional Disclosures

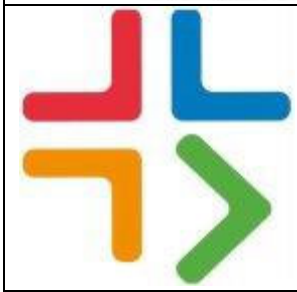
The Franchise Agreement does not provide you with any right or option to open and operate additional Franchised Businesses. Each Franchised Business you are granted the right to open and operate must be governed by its own specific Franchise Agreement. You must meet our then-current qualifications for new franchises, as set forth in our then-current Franchise Agreement, to qualify for additional Businesses.

Except as specifically disclosed in Item 1 of this Disclosure Document (with regards to the franchising of REFRESH RENOVATIONS in other international jurisdictions, namely New Zealand, Australia and the UK), neither we nor any of our affiliates have established, or presently intend to establish, any other franchised or company-owned businesses that offers the Approved Products or Approved Services to residential customers under a different trade name or trademark; but, we reserve the right to do so in the future.

ITEM 13: TRADEMARKS

We have designated the following Proprietary Marks as those you will have the limited right to use in connection with your Franchised Business and that our affiliate Refresh Renovation

Builders Limited has registered with the United States Patent and Trademark Office ("**USPTO**"). We have the right to supplement, discontinue, substitute and/or otherwise modify the Proprietary Marks we license to you to use with your Franchised Business at any time, upon written notice.

MARK	REGISTRATION NO.	REGISTRATION DATE	REGISTER
	5,248,689	July 25, 2017	Principal
	5,248,688	July 25, 2017	Principal

As and when necessary, we expect and intend to work with our affiliate to file all required declarations of use and other documents with the USPTO to maintain these registrations, as they become due.

We have an agreement with Renovation Franchise North America Limited granting us the right to use, and license others to use, the Proprietary Marks for the System and the franchise system in the United States (the "**TM Agreement**"). Renovation Franchise North America Limited has the authority to grant these rights to us. Other than this agreement, we are not aware of any other agreement that would limit or otherwise affect your right to use the Proprietary Marks for the operation of your Franchised Business.

We grant you the right to operate a Franchised Business utilizing the Proprietary Marks currently used or that may hereafter be used in the operation of a Franchised Business. You must comply with our standards, policies, specifications, rules, requirements, and instructions regarding the use of the Proprietary Marks. The goodwill associated with our Proprietary Marks will remain our exclusive property, and you will receive no tangible benefit from our goodwill, except from the operation or possible sale of the Franchised Business during the Initial Term or any Renewal Term. Any increase in the goodwill associated with our Proprietary Marks during the Initial Term or any Renewal Term will benefit us and our affiliates. All rights to use our Proprietary Marks will automatically revert to us without cost and without the execution or delivery of any documents, upon the expiration or termination of the Franchise Agreement.

You may not use all or any portion of our Proprietary Marks as part of your company name and, without our prior written consent, as part of your trade name. You may not modify the Proprietary Marks in any manner, including with words, designs or symbols, except those that we license to you. You may not use our Proprietary Marks for the sale of an unauthorized product or service or in a manner not authorized in writing by us. During the Initial Term, any Renewal Term and continuing after the expiration or termination of the Franchise Agreement, neither you nor any of your owners or managers will, directly or indirectly, contest, challenge or assist in the contesting

or challenging of, our right, title, ownership, or interest in our Proprietary Marks, trade secrets, methods, procedures, and advertising techniques that are part of our franchise system, or contest our sole right to register, use or license others to use our Proprietary Marks, trade secrets, methods, procedures, advertising techniques, and any other mark or name that incorporates the term "Refresh" or that is otherwise similar to our then-current Proprietary Marks.

As of the effective date of this Disclosure Document, there is no litigation pending arising out of our Proprietary Marks, and we are not aware of any infringing use of our Proprietary Marks. Presently, there are not any effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, province, territory, or region, or any court adverse to our rights in the Proprietary Marks, nor are there any pending infringement, opposition, cancellation proceedings, or material litigation, involving the Proprietary Marks.

You must notify us immediately and in writing if you become aware of any unauthorized use of our Proprietary Marks or other proprietary information; and you must permit us to participate in any litigation involving you and our Proprietary Marks. We will take the action we think appropriate. While we are not required to defend you against a claim involving your use of our Proprietary Marks, we will reimburse you for all your expenses reasonably incurred in any legal proceeding disputing your authorized use of any Proprietary Mark, in compliance with the Franchise Agreement and our written directives, so long as you notify us of the proceeding in a timely manner and you have complied with our directions with regard to the proceeding. We have the right to control the defense and settlement of any proceeding. We will not reimburse you for your expenses and legal fees for separate, independent legal counsel or for expenses to remove signage or discontinue your use of any Proprietary Marks. We will not reimburse you for disputes where we challenge your use of a Proprietary Mark.

You must modify or discontinue the use of a trademark if we modify or discontinue it. If this happens, you will be responsible for your costs of compliance (for example, changing exterior and interior signage, advertisements and promotional material, etc.). We are not obligated to reimburse you for any loss of revenue attributable to the modified or discontinued mark or for any expenditure you incur to promote a modified or substitute mark.

ITEM 14: PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any registered patents or pending patent applications that are material to the operations of the Franchised Business. We do, however, claim common law copyright and trade secret protection for several aspects of the franchise System, including our Manuals, System Software Platform, training materials, advertising, and business materials.

There are no current determinations, proceedings or litigation involving any of our copyrighted materials. Should you become aware that any unauthorized third party is using any of our copyrighted materials, we request that you notify us of such unauthorized use. We may revise our System and any of our copyrighted materials in our discretion and may require that you cease using any outdated copyrighted material. You will be responsible for the cost of any revised or new advertising, marketing, or other business materials.

During the Initial Term and any Renewal Term, you will receive information that we consider trade secrets, confidential information, methods, techniques, and know-how concerning the operation of the Franchised Business and Business operations (collectively, the "**Confidential Information**"). You may not, during the Initial Term, any Renewal Term, or any time after that, communicate, divulge or use for the benefit of any other person, partnership, association,

corporation, or limited liability company any Confidential Information, as well as any other information that falls within the definition of "Confidential Information" in your Franchise Agreement. You may divulge such Confidential Information only to your personnel and only to the extent such personnel must have access to perform their obligations.

The Franchise Agreement provides that if you, your employees, or principals develop any new concept, process, or improvement in connection with the launching or operation of your Franchised, the System and/or the Business concept generally, you will notify us promptly and provide us with all necessary related information, without compensation. Any such new concept, process or improvement will become our sole property and we will be the sole owner of all patents, patent applications, trademarks, copyrights and other intellectual property rights related to such new concepts. You and your principals will assign to us any rights you may have or acquire in new concepts you or your employees develop, including the right to modify such concept, process or improvement, and otherwise will waive and/or release all rights of restraint and moral rights to any new concepts you or your employees develop. You and your principals must assist us to obtain and enforce the intellectual property rights to any such concept, process or improvement in any and all countries and execute and provide us with all necessary documentation to obtain and enforce such rights. You and your principals will irrevocably designate and appoint us as your agent and attorney-in-fact to execute and file any such documentation and to do all other lawful acts to further the prosecution and issuance of patents or other intellectual property rights related to any such concept, process or improvement. If these provisions in the Franchise Agreement regarding such concepts, processes or improvements in are found to be invalid or otherwise unenforceable, you and your principals will grant a worldwide, perpetual, non-exclusive, fully paid license to us to use and sublicense the use of the concept, process or improvement to the extent such use or sublicense would, absent the Franchise Agreement, directly or indirectly infringe on your rights to the new concepts.

ITEM 15: OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

We require that you personally participate in the actual operation of your Franchised Business. You, if you are an individual, and certain persons affiliated with you, are required to attend, and complete our training programs (described more fully in Item 11 above), and certain other training programs that we designate provided by third parties to our satisfaction. The Initial Training Program must be completed prior to the Business Launch Date.

Under certain conditions and with our prior approval, we may permit you to operate the business with a designated manager you employ who has completed our Initial Training Program and any other training we require, whether conducted by us or approved suppliers ("**Designated Manager**"). If you use a Designated Manager, he or she cannot have an interest or business relationship with any of our business competitors. The Designated Manager must sign a written agreement agreeing to maintain confidentiality of the trade secrets and other "Confidential Information" described in Item 14, and to comply with the covenant not to compete described in Item 17. You may be required to obtain insurance to cover the death or incapacity of your Designated Manager. If you engage a Designated Manager and you later replace that individual, your replacement manager must complete our Initial Training Program, at your expense, prior to assuming any management responsibility with respect to your Franchised Business.

Each person owning an interest in your company must sign a personal guaranty (Exhibit B to the Franchise Agreement attached to this Disclosure Document) assuming and agreeing to discharge all your obligations under the Franchise Agreement. If you are an individual, we may require that

your spouse sign your Franchise Agreement directly or sign the form of guaranty above. At our option, we may also make the spouses of your owners (if you are an entity) execute the form of guaranty.

ITEM 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must conduct your Franchised Business in accordance with our Manual and policies to protect our reputation and goodwill and to maintain our high standards of operation under our Proprietary Marks. You may only provide Approved Services and Approved Products to certain Clients we might allocate to you that have a residence within the Permitted Territory.

Project-Related Materials and Products; Prohibited Use of Items or Suppliers Listed on Then-Current Banned List

You may only promote, offer, and sell Project-Related Materials and Products to prospective and existing Client(s) that are legal for use where you are operating your Franchised Business and/or performing a specific Client project, and not listed on our then-current Banned List of Items and Suppliers. Please see Items 1 and 8 of this Disclosure Document for additional information.

You may only offer and perform the Approved Services to prospective and existing Clients, and you are solely responsible for ensuring that any Approved Services provided to a Client are performed by Qualified Contractors or other individual that can provide such services in compliance with applicable laws, and not illegal or provided by any supplier on our then-current Banned List of Items or Suppliers.

Permitted Solicitation and Servicing of Directly Solicited and/or Allocated Client(s)

You may only solicit, enter into services agreements with and/or provide Project-Related Materials and Products and Approved Services to prospective Clients that: (i) are located within your Permitted Territory (unless permitted in connection with an Eligible Client Referral as described more fully in Item 12); (ii) you have either (a) directly solicited (by yourself or in collaboration with another Business) and that you have directly entered into the System Software Platform prior to any other Business within your Permitted Territory, or (b) been allocated by us via the System Software Platform or other methodology (which may, in the future, involve the Call Center or other technology we implement); and (iii) wish to enter into a services agreement to renovate or remodel a residential home or residential apartment located within the Permitted Territory.

Prohibited Solicitation and/or Servicing in Connection with any Commercial Property

You may not market, offer or provide, or enter into any kind of services agreement to provide, any kind of Approved Services or Approved Products for any kind of commercial property whatsoever, including any commercial apartment buildings, schools or other academic, government or military facilities or institutions.

You may only service residences within your Permitted Territory for those prospective Clients with whom you subsequently enter into a services agreement.

Any products or services to be provided for a commercial property will automatically be deemed as part of our then-current Banned List of Items and Suppliers, as disclosed more fully in Item 8, unless and until we agree otherwise in writing.

Required Use of Qualified Contractors

All renovation and remodeling-related services must be performed by an individual that has certain certifications, permits, licenses and/or other qualifications under applicable law are indeed performed by Qualified Contractors that you have engaged, or otherwise arranged, to provide such Approved Services (including installation and/or integration of any Project-Related Materials and Products at a Client's home or apartment) on behalf of the Franchised Business. Your failure to do so will constitute a material default under your Franchise Agreement and grounds for termination.

Other Relevant Disclosures

The covenant against competition in your Franchise Agreement (discussed in Item 17) does not permit you to own or have an interest in a competing business, including any operation, formal or otherwise, of a business that offers any of the products or services provided by System Businesses. Any and all services you provide to your customers must be provided in accordance with the standards established by us.

You will not be permitted to provide the Approved Products or Services, or otherwise service any client outside of the Permitted Territory without our prior written consent. You are not permitted to distribute any of the Approved Products on a non-retail or wholesale basis without our prior written consent.

We reserve the right to expand the products offered by you at your Franchised Business in part through limited trials. There is no limit on our right to request expansion of the kinds of Approved Products and Approved Services that you must offer and provide through your Franchised Business. We may also discontinue any products or services that we previously approved for your Franchised Business to offer and sell upon dissemination of an updated Banned List of Items and Suppliers or otherwise notifying you in writing.

ITEM 17: RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.

Provision	Section in Franchise Agreement	Summary
a. Term of franchise	Section 3.1	The Initial Term is for 10 years commencing on the date we sign your Franchise Agreement.
b. Renewal or extension of the term	Section 3.2	You have the right to be considered for two (2) additional (and consecutive) 10-year Renewal Terms.

Provision	Section in Franchise Agreement	Summary
c. Requirements for franchisee to renew or extend	Section 3.2	To renew (which means renewing your franchise relationship with us), you must: (i) not have any uncured material defaults under your Franchise Agreement (including any monetary defaults) or any other agreement between you and us; (ii) execute our then-current franchise agreement (which may contain materially different terms and conditions than your original franchise agreement); (iii) complete our then-current refresher training course; (iv) execute a general release; (v) have participated in and supported the operational procedures recommended or provided by us; (vi) pay us a renewal fee of $7,500; and, (vii) re-image, renovate, refurbish and modernize the Approved Vehicles and Franchised Business if applicable.
d. Termination by franchisee	Not Applicable	Not Applicable
e. Termination by franchisor without cause	Not Applicable	Not Applicable
f. Termination by franchisor with cause	Section 15	We may terminate your Franchise Agreement with cause as described in (g)-(h) of this Item 17 Chart.
g. "Cause" defined – curative defaults	Section 15.2	Your Franchise Agreement may be terminated based on the following defaults after the applicable cure periods: (i) if, after 48 hours' notice, you fail to offer only those Approved Products and Approved Services that we authorize; fail to purchase any Required Item that we designate as necessary for the establishment or operation of the Franchised Business from the appropriate Approved Supplier(s); or, fail to provide us with access, or otherwise blocks our access, to the information contained on the System Software System or other Computer System components; (ii) if, after 10 days' notice. you fail to cure any monetary default; or, to obtain any applicable license, certificate, permits, or approval; or (iii) you fail to meet the Minimum Productivity Levels and then fail to meet the applicable Minimum Productivity Level in the quarter in which you receive a default notice from us.

Provision	Section in Franchise Agreement	Summary
	Section 15.3	Except as provided above and those defaults listed in (h) of this Item 17 Chart, you must cure all other defaults and violations of your Franchise Agreement or any other agreement with us or our affiliates within 30 days after being provided with notice of your default(s).
h. "Cause" defined – non-curative defaults	Section 15.1	Your Franchise Agreement may be terminated upon notice from us and without an opportunity to cure if: (i) you become insolvent or make a general assignment for the benefit of creditors; (ii) a bankruptcy petition if filed by or against you and not dismissed within 30 days; (iii) a bill in equity or appointment of receivership is filed in connection with you or the Franchised Business; (iv) a receiver or custodian of your assets of property is appointed; (v) a final judgment in excess of $10,000 is entered against you and not satisfied within 60 days (or longer period if we consent); (vi) you or any of your principals, owners or guarantors attempt to make an invalid transfer in violation of Section 13 of your Franchise Agreement; (vii) you commit any fraud or misrepresentation in the establishment or operation of the Franchised Business; (viii) you fail to attend and complete the Initial Training Program; (ix) you or any of your principals, owners or guarantors violate the restrictive covenants; (x) you or any of your principals, owners or guarantors misuse the Property Marks or Confidential Information; (xi) you or any of your principals, owners or guarantors misuse any Proprietary Software; (xii) you default under any other agreement with us, our affiliate(s) or any Approved Supplier and such default is not cured according to such agreement; (xiii) you or any of your principals, owners or guarantors' default under your lease for a Commercial Space, if any; (xiv) you abandon the Franchised Business; (xv) you or any person controlling, controlled by, or under common control with you are convicted of a felony or other crime that adversely affects the System; (xvi) you or any of your principals, owners or guarantors take for your own personal use the assets or property of the Franchised Business;

Provision	Section in Franchise Agreement	Summary
		(xvii) there is insufficient working capital in your primary bank account to pay us or our affiliates two or more times within any twelve (12) month period; (xviii) you commit repeated violations of any health, zoning, sanitation, or other regulatory law, standard, or practice; or operate the business in a manner that presents a health or safety hazard to its employees or customers; (xix) you fail to open the Franchised Business in the time required; or (xx) if you receive 3 or more notices to cure any defaults within any 12-month period.
i. Franchisee's obligations on termination or non-renewal	Section 16	Upon termination or early expiration of the Franchise Agreement, your obligations include: (i) cease ownership and operation of the Franchised Business and cease doing business in a form or manner that may give the general public the impression that you are operating a Franchised Business; (ii) return of the Manual or any other Confidential Information to us; (iii) assign to us all approved services contracts, telephone/fax numbers and domain names; (iv) cease the use of the Proprietary Marks and trade dress; (v) comply with all post-termination restrictive covenants; (vi) pay us and our Approved Suppliers any amounts owed; (vii) provide us with written confirmation of compliance with these obligations within 30 days; and (vii) cancel or, at our option, assign us all telephone/facsimile numbers and domain names (if permitted) used in connection with the Franchised Business (as well as all related listings) to us or our designee.
j. Assignment of contract by Franchisor	Section 13.7	No restriction on our right to assign.
k. "Transfer" by Franchisor - defined	Sections 13.1 and 13.3	Includes any transfer of Franchise Agreement, assets of the Franchised Business, or ownership change in you (as the Franchisee).
l. Franchisor's approval of transfer by Franchisee	Section 13.1	We must approve all transfers, but we will not unreasonably withhold our approval if you meet our conditions.

Provision	Section in Franchise Agreement	Summary
m. Conditions for Franchisor's approval of transfer	Section 13.5	We have the right to impose the following conditions on any transfer by you: (i) all of your accrued monetary obligations under the Franchise Agreement have been satisfied; (ii) you cure all existing defaults under the Franchise Agreement; (iii) you and your principals must execute a general release; (iv) you or the transferee provides us with a copy of the executed purchase agreement; (v) the transferee must meet our then-current qualifications and criteria for a new franchisee; (vi) the transferee executes our then-current franchise agreement; (vii) you or the transferee pays us a transfer fee equal to $15,000; (viii) the transferee satisfactorily completes our Initial Training Program; (ix) you must comply with all post-termination provisions of the Franchise Agreement; (x) the transferee must obtain all permits and licenses required for the continued operation of the Franchised Business; (xi) all applicable lessors consent to the proposed transfer; and, (xii) the transfer is made in compliance with all applicable laws.
n. Franchisor's right of first refusal to acquire Franchisee's business	Section 13.4	If (a) you propose to transfer any of your interest in the Franchise Agreement or Franchised Business or any interest in your lease for the Approved Location, or (b) your owners propose to transfer any interest in you (if you are an entity), except in certain circumstances (death/disability or transfer from individual franchisee to business entity); then, you will first offer to sell such interest to us on the same terms and conditions as offered by such third party. If we do not exercise this right, then you will have 60 days to effectuate the transfer to the third party that made the offer on those exact terms – if the transfer does not occur or the proposed terms of the offer change in any way, then we will have another 30 days to exercise our right of first refusal.
o. Franchisor's option to purchase Franchisee's business	Section 16.9	Upon expiration or termination of the Franchise Agreement, we have the option to purchase your assets at net depreciated book value (subject to applicable state law).

Provision	Section in Franchise Agreement	Summary
p. Franchisee's death or disability	Section 13.2	You will have a period of 90 days to find a suitable legal representative that we approve to continue the operation of your Franchised Business, provided that person completes our Initial Training Program and signs our then-current franchise agreement for the remainder of your term. During this 90-day period, we may step in and operate the Franchised Business on your behalf and pay ourselves a reasonable amount to reimburse our costs associated with this operation on your behalf. We are not under any obligation to step in and operate your business during this period.
q. Non-competition covenants during the term of the franchise	Section 14.1	Neither you, your principals, guarantors, owners or Designated Managers, nor any immediate family member of you, your principals, guarantors, owners or Designated Managers, may: (i) own, operate, or otherwise be involved with, Competing Business (as defined in the Franchise Agreement); (ii) employ or seek to employ any of employees or us, our affiliates or any other System franchisee or induce such persons to leave their employment; or, (iii) divert, or attempt to divert, any prospective customer to a Competing Business.
r. Non-competition covenants after the franchise is terminated or expires	Section 14.2.1	For a period of two (2) years after the termination/expiration/transfer of your Franchise Agreement, neither you, your principals, guarantors, owners, Designated Managers, nor any immediate family member of you, your principals, guarantors, owners, Designated Managers, may own, operate or otherwise be involved with any business that competes with us and is involved in the licensing or franchising, or establishing of joint ventures for the operation, of any Competing Business. For purposes of your Franchise Agreement, a Competing Business does not include: any business you operated under a Franchise Agreement with us; any business operated by a publicly traded entity in which you own less than two percent (2%) legal or beneficial interest; or, the employment disclosed below in this Item 17(r).

Provision	Section in Franchise Agreement	Summary
	Section 14.2.2.a	For a period of two (2) years after the termination/expiration/transfer of your Franchise Agreement, neither you, your principals, guarantors, owners, Designated Managers, nor any immediate family member of you, your principals, guarantors, owners, Designated Managers, may own, operate or otherwise be involved with and Competing Business: within your Permitted Territory; within a 30-mile radius of your Permitted Territory; or, within a 30-mile radius of any other Permitted Territory that has been granted by us or our affiliates in connection with any franchised business as of the date your Franchise Agreement expires and/or is terminated, regardless of whether a franchised business is open and operating in that Permitted Territory.
	Section 14.2.2.b and c	During this two-year period, these parties are also prohibited from: soliciting business from customers of your former Franchised Business or contacting any of our suppliers/vendors for a competitive business purpose. The provisions of this Item 17(r) and Section 14.2 of the Franchise Agreement are subject to applicable law
s. Modification of the agreement	Section 18.4	Your Franchise Agreement may not be modified, except by a writing signed by both parties. With that said, we may modify the System and Manual as we deem appropriate in our discretion from time to time.
t. Integration/ merger clause	Sections 18.5 and 22	Only the terms of the Franchise Agreement and this Disclosure Document are binding (subject to state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable. Nothing in the Franchise Agreement or any related agreement is intended to disclaim the representations made in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	Section 21.2	You must first submit all dispute and controversies arising under the Franchise Agreement to our management and make every effort to resolve the dispute internally.
	Section 21.3	At our option, all claims or disputes arising out of the Franchise Agreement must be submitted to non-binding mediation, which will take place at our then-current headquarters (currently in Florida). You must notify us of any potential disputes, and we will provide you with notice as to whether we wish to mediate the matter or not. If the matter is mediated, the parties will split the mediator's fees and bear all their other respective costs of the mediation. The Franchise Agreement does not provide for arbitration.

Provision	Section in Franchise Agreement	Summary
v. Choice of forum	Sections 21.4 and 21.5	Subject to the mediation and injunctive relief provisions of the Franchise Agreement, all claims and causes of action arising out of the Franchise Agreement must be initiated and litigated to conclusion (unless settled) in the state court of general jurisdiction that is closest to our then-current headquarters or, if appropriate, the United States District Court for the Northern District of Florida (subject to state law).
w. Choice of law	Section 21.1	The Franchise Agreement is governed by the laws of the State of Florida, without reference to this state's conflict of laws principles (subject to state law).

ITEM 18: PUBLIC FIGURES

We do not use any public figure to promote our franchise, but we reserve the right to do so in the future.

ITEM 19: FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is any reasonable basis for the information, and if the information is included in the disclosure document. Financial information that differs from that included in Item 19 may only be given if (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

BACKGROUND

REFRESH RENOVATIONS started selling franchises in the U.S. in 2019. The information in the Chart below is for a certain subset of REFRESH RENOVATIONS franchised locations during the Reporting Period that were open and operating in the United States (a) over the entire Reporting Period; and (b) open for at least 12 months as of March 31, 2020. For purposes of this Item 19, the Reporting Period is the period beginning March 31, 2020 and ending March 31, 2021 ("Criteria").

The information in the Chart below is based on the historical performance of the subset REFRESH RENOVATIONS Franchised Locations, as reported by the franchise owners of these locations (consistent with their obligations under their franchise agreements). With that said, we have not independently audited this information. Written substantiation of the data used in preparing this financial performance representation will be made available to you as a prospective franchisee upon reasonable written request.

Some outlets have earned this amount. Your individual results may differ. There is no assurance that you will earn as much.

HISTORICAL PERFORMANCE

	Unit 1	Unit 2
Gross Revenue	$744,165	$182,363
Cost of Goods Sold	$492,065	$114,203
Gross Profit	$251,565	$68,160
Gross Profit as Percentage of Gross Revenue	33.8%	37.48%
Total Expenses	$116,827	$66,653
Expenses as Percentage of Gross Revenue	15.7%	36.5%
Net Profit	$134,737	$2,006
Net Profit as a Percentage of Gross Revenue	18.1%	1.1%

Notes

1. During the Reporting Period, three of the five REFRESH RENOVATIONS franchised locations operating at the end of the Reporting Period met the Criteria. The account totals are based on a cash vs. percent complete accounting method. We did not include one of the franchised locations because we did not receive accurate and reliable financial data from the franchisee.

2. The Cost of Services include the cost of materials and Approved Products, supplies, trade labor (contractors), project management expenses, project permits, and sales tax on materials. The cost of services does not include the owner's salary or all of the qualified builder's salary (if needed).

3. Total Expenses include marketing and office expenses, administrative expenses, utilities, vehicle expenses, qualified contractor expenses, insurance, fixed labor and office space expenses (if any). Additional Expenses does not include initial franchise fees, interest, depreciation or amortization.

4. Gross Profit is equal to gross revenue less the cost of goods sold.

5. Net Profit is equal to the gross revenues less the cost of goods sold and total expenses.

Except as provided above, we do not make any other representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Paul English, c/o Renovation Franchise North America, LLC at 415 South Florida Blanca Street, Pensacola, Florida 32502, or via telephone at 1 (850) 332-6131, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

System-wide Outlet Summary for Years 2018 through 2020

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2018	0	0	0
	2019	0	4	+4
	2020	4	5	+1
Company-Owned	2018	0	0	0
	2019	0	0	0
	2020	0	0	0
Total Outlets	**2018**	**0**	**0**	**0**
	2019	**0**	**4**	**+4**
	2020	**4**	**5**	**+1**

Table No. 2

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor) For Years 2018through 2020

State	Year	Number of Transfers
Total	**2018**	**0**
	2019	**0**
	2020	**0**

Table No. 3

Status of Franchised Outlets for Years 2018 through 2020

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Florida	2018	0	0	0	0	0	0	0
	2019	0	2	0	0	0	0	2
	2020	2	0	0	0	0	0	2
Missouri	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1
Oregon	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1
	2020	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Texas	2018	0	0	0	0	0	0	0
	2019	0	1	0	0	0	0	1
	2020	1	0	0	0	0	1	0
Totals	**2018**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2019	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2020	**4**	**2**	**0**	**0**	**0**	**1**	**5**

Table No. 4

Status of Company-Owned and Affiliate Owned Outlets
For Years 2018 through 2020

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at the End of the Year
Totals	**2018**	**0**	**0**	**0**	**0**	**0**	**0**
	2019	**0**	**0**	**0**	**0**	**0**	**0**
	2020	**0**	**0**	**0**	**0**	**0**	**0**

Table No. 5

Projected Openings as of December 31, 2020

State	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlets in The Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Colorado	0	2	0
Florida	0	2	0
Georgia	0	1	0
Massachusetts	0	1	0
North Carolina	0	1	0
Oregon	0	1	0
Texas	0	3	0
Totals	**0**	**11**	**0**

Exhibit H lists the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during our most recently completed fiscal year ending December 31, 2020 or who had not communicated with us within 10 weeks of the issuance date of this Franchise Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

We do not currently have any trademark specific organizations associated with the franchise system being offered that we have created, sponsored, or endorsed.

ITEM 21: FINANCIAL STATEMENTS

Attached as Exhibit C to this disclosure document are our audited financial statements as of December 31, 2019 and December 31, 2020. Our fiscal year end is December 31st.

ITEM 22: CONTRACTS

The following agreements are attached to this Disclosure Document:

Exhibit A: Franchise Agreement (and Exhibits attached to Franchise Agreement, including form of Franchisee Compliance Questionnaire and Certification)
Exhibit F: State-Specific Addenda
Exhibit K: Receipts

ITEM 23: RECEIPTS

Attached to this Disclosure Document as Exhibit K, in duplicate, is a Receipt to be signed by the prospective Franchisee receiving this Disclosure Document. You must sign each Receipt and return one copy to us. If you are missing these Receipts, please contact us at this address or telephone number: Paul English, c/o Renovation Franchise North America, LLC at 415 South Florida Blanca Street, Pensacola, Florida 32502; (850) 332-6131.

EXHIBIT A
TO
RENOVATION FRANCHISE NORTH AMERICA, LLC
FRANCHISE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT

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FRANCHISE AGREEMENT

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Exhibit D: EFT Authorization Form
Exhibit E: Conditional Assignment of Telephone/Facsimile Numbers and Domain Names
Exhibit F: Confidentiality and Non-Competition Agreement
Exhibit G: Franchisee Disclosure Acknowledgement Statement

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RENOVATION FRANCHISE NORTH AMERICA, LLC

REFRESH RENOVATIONS FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "**Agreement**") is made and entered into on this _____ ("**Effective Date**"), by and between: Renovation Franchise North America, LLC, a Florida limited liability company with its principal business address at 415 South Florida Blanca Street, Pensacola, Florida 32502 (the "**Franchisor**"); and _____, a (resident of) (corporation organized in) (limited liability company organized in) _____ with a business address at _____ (the "**Franchisee**").

BACKGROUND

A. Franchisor and its affiliate/principals, as a result of the expenditure of time, skill, effort, and money, have developed and own a unique system (the "**System**") related to the development and ongoing operation of a business (each, a "**Business**") that specializes in the provision of residential building renovation-related products and services to prospective customers that are: (i) generated by Franchisee's direct marketing efforts (whether conducted individually or in connection with other Business owners); and, (ii) allocated to that Business by Franchisor in accordance with Franchisor's then-current System policies and procedures (each, a "**Client**").

B. Franchisor offers and awards qualified parties a franchise for the right to independently own and operate a Business utilizing the System, along with certain proprietary marks that Franchisor designates for use in connection with the System, including without limitation, its current primary mark REFRESH RENOVATIONS and other service marks, trademarks, trade dress, slogans and/or logos, all of which Franchisor modifies or supplements as Franchisor determines is advisable (collectively, the "**Proprietary Marks**"), from a location that Franchisor approves (an "**Approved Location**").

C. Franchisor's System is comprised of various proprietary and, in some cases, distinguishing elements, including without limitation: (i) the uniform standards, methods, procedures and specifications including proprietary and branded System software (the "**System Software Platform**") and other required third-party software (collectively, the "**Required Software**"); (ii) tools designed to facilitate the generation and allocation of prospective Client leads in addition to the System Software Platform, which may include a centralized call center system that is tied to an (800) number that Franchisee is required to use and maintain in connection with Business operations (the "**Call Center**"); (iii) certain online and traditional marketing materials Franchisor determines to develop and/or authorize; (iv) any then-current industry and supplier relationships; (v) the proprietary initial training program and related instructional materials that Franchisee must complete prior to launching a Franchised Business, as well as any ongoing training and support-related materials Franchisor determines appropriate for use in connection with a Business; (vi) business management methodology; (vii) all the procedures, methods, standards, specifications, guidelines, directives and/or other content set forth in our confidential and proprietary operations manual (the "**Operations Manual**"), as well as any other manuals, training materials and presentations and/or other written directives (collectively, the "**Manuals**"); and (viii) Proprietary Marks. Franchisor may supplement, modify or otherwise change the System from time to time as Franchisor determines appropriate via the Manuals or otherwise. The parties agree and acknowledge that Franchisor may change, improve,

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further develop, or otherwise modify the System from time to time as it determines is appropriate in its discretion.

D. Each franchised Business is be authorized to offer and provide prospective and existing Clients with most interior renovation products that are designed for use in residential homes and apartments that: (i) are legal for use in connection with the location where the Client project at issue is located and/or otherwise being performed; (ii) can be installed or otherwise used in connection with the project by a "**Qualified Contractor**" in compliance with the laws where the Client project is located and where the Client project is undertaken; (iii) are not listed on Franchisor's then-current list of banned items and suppliers that may not be used or associated with the System (hereafter, the "**Banned List of Items and Suppliers**") or any update/supplement to that list; and, (iv) are supplied by a third-party supplier that is not listed on our Banned List of Items and Suppliers (collectively, project materials and products that meet the foregoing criteria will be referred to as authorized "**Project-Related Materials and Products**").

E. At the same time, each franchised Business owner (a "**System Franchisee**") is authorized and required to market and promote their respective Business actively within their given territory directly and/or in collaboration with other Business owners, as well as provide the following services (collectively, the "**Approved Services**"):

i. entering prospective Client leads into the System database that the System Franchisee generated via its direct marketing and other lead generation efforts using the System Software Platform, provided such Client(s) are not already entered into that platform and located within that System Franchisee's permitted territory;

ii. further communicating, negotiating, and entering into services agreement(s), with prospective Clients that Franchisee directly enters into the System Software Platform before any other Business in that territory, and/or Franchisor allocates to that Business owner (via the System Software Platform, Call Center and/or other method Franchisor determines appropriate); and

iii. project management and administration services with respect to the Business and Client projects to ensure the timely performance of the Approved Services consistent with the terms of a given Client's service agreement utilizing only third-party contractors or other personnel that have the required certifications, training, experience, permits, credentials and/or other qualifications, if any, necessary to provide the services at issue under any applicable law (each, a "**Qualified Contractor**"), and authorized Project-Related Materials and Products, as well as corresponding suppliers, that are not listed on our then-current Banned List of Items and Suppliers.

F. Certain Businesses may have third-party commercial space from which to provide the Approved Services (a "**Commercial Space**"), but a franchised Business can be operated from a home office and via a vehicle Franchisor designates or approves for use in connection with the System and Business operations (the "**Approved Vehicle**") without any Commercial Space. The parties agree and acknowledge that they expect and intend, and Franchisor's standard franchise offering assumes, that Franchisee will initially launch any franchised Business, by exercising the rights awarded hereunder and launching operations from a home office that meets our then-current System standards.

G. Franchisee now wishes to acquire a franchise for the right to operate a single franchised Business in accordance with the terms of this Agreement (the "**Franchised**

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Business"), and has submitted various franchise application materials to Franchisor in connection with acquiring the same.

H. Franchisor is willing to grant Franchisee the right to operate a Franchised Business based, in part, on Franchisor's material reliance on the representations of Franchisee (and, if appropriate, its owners and other guarantors) contained in Franchisee's application materials, this Agreement and any Exhibits hereto.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the parties hereto, intending to be legally bound, do hereby agree as follows:

1. PREAMBLES, ACKNOWLEDGEMENTS AND REPRESENTATIONS OF FRANCHISEE

1.1 Background. The parties agree and acknowledge that the provisions set forth in the Background portion of this Agreement, including all definitions, are hereby incorporated by reference as if fully set forth in this Section.

1.2 Acknowledgments. Franchisee further agrees and acknowledges as follows:

1.2.1 Franchisor has not made, through any officer, director, member, manager, employee, or agent, and Franchisee has not received or relied upon, any oral, written, visual, express, or implied information, representations, warranties, guarantees, or promises regarding the amount of sales levels or income Franchisee might expect to earn from the franchise granted hereby, other than the historical and actual performance figures of certain existing Businesses operating under the Proprietary Marks and System as set forth in the Franchise Disclosure Document timely disclosed to Franchisee (the "**FDD**").

1.2.2 The business venture contemplated by this Agreement involves business risks. Franchisee acknowledges that Franchisee's success in connection with the franchise granted hereunder will be largely dependent upon Franchisee's ability as an independent businessperson.

1.2.3 Franchisee has received, read, and does understand this Agreement and all Exhibits hereto.

1.2.4 Franchisee understands that the home renovation and improvement industry, as well as the market for the provision of the Approved Services, can be highly competitive with constantly changing market conditions (some of which may be seasonal in nature depending on where Franchisee is operating), including the risks associated with local, state and federal regulatory agencies.

1.2.5 Franchisor has fully and adequately explained each provision of this Agreement to Franchisee's satisfaction. Any written inquiries made to Franchisor by Franchisee pertaining to the nature of this franchise were answered in writing to the satisfaction of Franchisee. Franchisee has had the opportunity and adequate time to independently investigate, analyze, and construe both the franchise being offered

hereunder and the terms and provisions of this Agreement utilizing the services of legal counsel, accountants, and other advisors (if Franchisee so elects).

1.2.6 Franchisee has consulted with Franchisee's own advisors with respect to the legal, financial, and other aspects of this Agreement, the business franchised hereby, and the prospects for such business Franchisee either has consulted with such advisors or has deliberately declined to do so.

1.2.7 Any and all applications, financial statements, and representations submitted to Franchisor by Franchisee, whether oral or in writing, were complete and accurate when submitted and are complete and accurate as of the date of execution of this Agreement unless the same has been otherwise amended in writing. Franchisee states that he/she is not presently involved in any business activity that could be considered competitive in nature, unless heretofore disclosed to Franchisor in writing.

1.2.8 Franchisee will not contest, directly or indirectly, Franchisor's ownership, title, right, or interest in its names or Proprietary Marks, trade secrets, methods, procedures, know-how, or advertising techniques which are part of Franchisor's business, or contest Franchisor's sole right to register, use, or license others to use such names or Proprietary Marks, trade secrets, methods, procedures, or techniques.

1.2.9 Franchisee's signature to this Agreement has not been induced by any representation inconsistent with the terms of this Agreement or inconsistent with the FDD. Franchisee further acknowledges that certain disclosures in the FDD may be based, in part, on the experience of certain affiliate franchise systems in international jurisdictions, including New Zealand.

1.2.10 Franchisee is not a party to or subject to any order or decree of any court or government agency which would limit or interfere in any way with the performance by Franchisee of the obligations under this Agreement and that Franchisee is not a party and has not within the last ten (10) years been a party, to any litigation, bankruptcy, or legal proceedings other than those heretofore disclosed to Franchisor in writing.

1.2.11 Franchisee is solely responsible for ensuring that: (i) all Project-Related Materials and Approved Services are provided by Qualified Contractors, if and to the extent required by applicable law in connection with the materials, products and/or services at issue; (ii) the Franchised Business is otherwise operated in full compliance with all federal, state and local laws and regulations where the Franchisee is located at all times during the term of this Agreement; (iii) Franchisor will have no liability in the event the development or operation of the Franchised Business violates any law, ordinance, or regulation; and (iv) Franchisee's operation of the Franchised Business without proper engagement of such Qualified Contractor(s), and/or Franchisee's failure to timely launch the Franchised Business as a result of failing to engage such Qualified Contractors, will constitute a breach by Franchisee of its obligations hereunder.

1.2.12 Franchisor may enter into franchise agreements with other System Franchisees that may contain provisions, conditions, and obligations that differ from those contained in this Agreement, including without limitation, franchise agreements for the operation of a franchised Business. The existence of different forms of agreement and the fact that Franchisor and other franchisees may have different rights and obligations does not affect the parties' duty to comply with the terms of this Agreement.

1.2.13 Franchisee will have sole authority and control over the day-to-day operations of the Franchised Business and Franchisee's employees and/or independent contractors. Franchisee agrees to be solely responsible for all employment decisions and to comply with all state, federal, and local hiring laws and functions of the Franchised Business, including without limitation, those related to hiring, firing, training, wage and hour requirements, compensation, promotion, record-keeping, supervision, and discipline of employees, paid or unpaid, full or part-time. At no time will Franchisee or Franchisee's employees be considered to be employees of Franchisor or Franchisor's affiliates.

1.2.14 Neither this Agreement nor Franchisor's course of conduct is intended, nor may anything in this Agreement (nor Franchisor's course of conduct) be construed to state or imply that Franchisor is the employer of Franchisee's employees and/or independent contractor, nor vice versa.

2. GRANT OF FRANCHISE

2.1 Grant of Franchise. Subject to the terms of this Agreement, Franchisor grants Franchisee the right and license to use the Proprietary Marks and receive the other benefits of the System in connection with the establishment and operation of the Franchised Business.

2.2 Approved Location; Approved Vehicle.

2.2.1 Franchisee must operate the Franchised Business from a location that Franchisor approves in writing and identifies in Section 1 of the Data Sheet attached as Exhibit A to this Agreement (the "**Approved Location**"), which the parties agree and acknowledge will be Franchisee's home office for at least the initial period of operations after the date Franchisee actually launches and commences operation of the Franchised Business.

2.2.2 Franchisee may operate from a Commercial Space once Franchisee has demonstrated it can operate the Franchised Business in compliance with this Agreement over an initial operations period of at least three (3) months after the Franchised Business had actually commenced operations, provided such Commercial Space is leased or acquired in accordance with the terms of this Agreement.

2.2.3 For purposes of this Agreement, Franchisee's home office and any Commercial Space will be referred to collectively as the "**Approved Location**" of the Franchised Business.

2.2.4 Regardless of where the Franchised Business is operating from, Franchisee must ensure it acquires and maintains an Approved Vehicle that meets Franchisor's then-current System standards as described more fully in this Agreement.

2.3 Permitted Territory; Permitted Operational and Marketing Activities Within and Outside Protected Territory

2.3.1 Franchisee will have the right to market, promote and operate the Franchised Business within the territory set forth in Section 2 of the Data Sheet (the "**Permitted Territory**"). Franchisee's Approved Location must be located within the Permitted Territory, unless Franchisor agrees otherwise in a separate writing.

2.3.2 Franchisee agrees and acknowledges that: (i) Franchisor will have the right to award additional System Franchisees and/or other Business owners the right to promote and operate their respective Business(es) within the Permitted Territory; and (ii) in the event multiple Business owners have the right to operate within the Permitted Territory, Franchisor will have the right to allocate any prospective Client leads generated in that Permitted Territory unless such lead is generated by Franchisee's individual marketing efforts, or collaborative marketing efforts with other Business owners (including System Franchisees) that specifies to which Business the lead will be allocated once generated.

2.3.3 If an existing Client that Franchisee previously serviced in accordance with the terms of this Agreement refers a prospective Client to Franchisee that is located in a neighboring territory to the Permitted Territory, then Franchisee may communicate with and solicit such prospect (each, an "**Eligible Referral Client**"), provided: (i) that Eligible Referral Client has not already been entered into the System Software Platform or otherwise recorded as a prospect with the System; and, (ii) Franchisee promptly notifies Franchisor and any Business owners within that neighboring territory of its activities with respect to such Eligible Referral Client prior to or at the time Franchisee is required to enter that Client into Franchisor's then-current System Software Platform.

2.3.4 Except for Eligible Referral Clients that Franchisee determines to solicit in accordance with this Agreement and/or Manuals, Franchisee will not be permitted to provide any Product-Related Materials and Products to, or perform any Approved Services on behalf of, any Client or other party outside the Permitted Territory unless Franchisor agrees otherwise in writing.

2.3.5 Franchisee acknowledges that it must expend certain minimum amounts on marketing the Franchised Business as described in this Agreement, and that such amounts may be used by Franchisee or otherwise designated for use in connection with collaborative marketing efforts and/or campaigns implemented with other System Franchisees and/or other Business owners that have the right to operate within a neighboring territory and/or other surrounding regions, provided that such efforts and campaigns are conducted in accordance with this Agreement and/or the Manuals (collectively, such efforts will be referred to as "**Collaborative Marketing Efforts**").

2.3.6 Except for such Collaborative Marketing Efforts, including any involvement in a regional marketing cooperative that Franchisor designates or that is otherwise authorized hereunder (each, a "**Cooperative**"), Franchisee may not geographically target or direct any advertising, marketing or other promotional materials or content outside the Permitted Territory without the prior written consent of Franchisor.

2.4 Client Solicitation and Recording Requirements and Limitations. Franchisee agrees and acknowledges that the following will apply and govern with respect to Franchisee's solicitation, recording and servicing of prospective Clients:

2.4.1 Franchisee must enter any prospective Client into the System immediately upon soliciting (individually or via any Collaborative Marketing Efforts) and making actual contact with the Client regarding a *bona fide* residential renovation project at that Client's home, apartment or other residence, or (b) the promotion of the Franchised Business and/or other content that Franchisor determines sufficient as part of its then-

current System standards for such Client entry by a System Franchisee (as set forth in the Manuals or otherwise).

2.4.2 Franchisee must not enter any information into the System Software Platform (or other then-current method that Franchisor designates), unless the information is related to a prospective Client that Franchisee has actually made contact consistent with Section 2.4.1.

2.4.3 Unless Franchisor agrees otherwise in writing, the parties further agree and acknowledge that Franchisee will not be permitted to communicate with or provide any Approved Services and/or Project-Related Materials and Products to any Client once that Client is validly entered into the System Software Platform by (i) another Business owner, or (ii) Franchisor and subsequently allocated to another Business owner.

2.4.4 Franchisee must not breach, or attempt to circumvent, any agreement it has made with any other Business owner or Franchisor regarding Client allocation in connection with any Collaborative Marketing Efforts.

2.5 Reservation of Rights and Rights Not Granted.

2.5.1 Franchisee acknowledges and agrees that this Agreement does not grant Franchisee any right or option to: (i) open any additional Franchised Businesses; (ii) sub-license or sub-franchise any of the rights granted hereunder; and (iii) provide any kind of services in connection with a commercial property of any kind, including any commercial apartment building, academic or military institution, business or other commercial venue (collectively, a "**Commercial Project**").

2.5.2 Franchisor will have sole discretion as to whether it decides to grant Franchisee the right to open any additional Franchised Businesses outside the Permitted Territory, each of which will be governed by a separate form of Franchisor's then-current franchise agreement.

2.5.3 Notwithstanding any other provision of this Agreement, Franchisor and its affiliates hereby reserve the exclusive right to: (i) own and operate, as well as license others the right to own and operate, Businesses at any location(s) outside of the Permitted Territory; (ii) own and operate, or license others the right to own and operate businesses under marks that are different than the Proprietary Marks at any location(s) inside or outside of the Permitted Territory; (iii) open and operate, as well as license others the right to own and operate, businesses that offer and provide services and/or products that are different than the residential renovation services (including any kind of products or services provided in connection with a commercial property or client); (iv) offer, promote and sell the Approved Products and/or Approved Services in any alternative channel of distribution regardless of location, including providing certain of the Approved Services (i.e., DIY video instruction) and/or Approved Products (including non-branded software) via the Internet and other e-commerce channels, direct mail catalogs, and wholesale; (v) acquire or merge with, or be acquired by or merged with, any third-party business (including a competitor or related business) and subsequently open and operate third-party business locations within or outside the Permitted Territory; and (vi) use the Proprietary Marks and System, and license others to use the Marks and System to engage in any other activities not expressly prohibited in this Agreement.

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2.6 **Modification of System**. Franchisor reserves the right to supplement, revise or otherwise modify the System or any aspect/component thereof, and Franchisee agrees to promptly accept and comply with any such addition, subtraction, revision, modification or change and make such reasonable expenditures as may be necessary to comply with any change that Franchisor makes to the System. Franchisor will provide Franchisee with a reasonable amount of time to comply with any material change or modification to the System once Franchisee has been notified of such change/modification in writing (via the Manuals or otherwise).

3. TERM AND RENEWAL

3.1 **Term**. Unless previously terminated pursuant to this Agreement, the term of this Agreement will be for a period of ten (10) years (the "**Initial Term**") commencing as of the Effective Date.

3.2 **Renewal**. Franchisee may submit a request to renew this Agreement for up to two (2) additional (and consecutive) terms of ten (10) years each (a "**Renewal Term**") and must deliver written notice of its intention to renew to Franchisor no less than six (6) months and no more than twelve (12) months prior to the end of the then-current term. Failure to provide such notice to Franchisor will be considered to be an indication that Franchisee does not wish to renew the franchise relationship. Franchisor will not unreasonably withhold its approval of such requests for renewal, provided Franchisee complies with the following conditions:

3.2.1 Franchisee must not have: (i) any uncured material defaults under this Agreement (including any monetary defaults) or any other agreement between Franchisee and Franchisor or the landlord of the Approved Location, either at time of Franchisee's renewal request or at the time of renewal; and (ii) received more than three (3) separate, written notices of material default from Franchisor with respect to this Agreement in the 12-month period preceding the renewal request date or renewal date.

3.2.2 Franchisee must execute Franchisor's then-current form of franchise agreement for the Renewal Term, which may contain materially different terms and conditions from those contained in this Agreement (including increasing any flat recurring fees to account for inflation in accordance with the Consumer Price Index or "**CPI**" from date of original agreement terms), within thirty (30) days of the date Franchisee is provided with Franchisor's then-current form of franchise agreement.

3.2.3 At Franchisor's option, at least thirty (30) days before the expiration of the Initial Term, Franchisee and/or the Designated Manager must attend a prescribed training refresher course. Franchisee will be responsible for all expenses incurred in connection with attending this refresher training; but, will not be required to pay any type of tuition or training fee in connection with this training.

3.2.4 Franchisee executes a general release in a form satisfactory to Franchisor, of any and all claims it may have against Franchisor and its officers, directors, shareholders, and employees in their corporate and individual capacities, including without limitation, all claims arising under any federal, state, or local law, rule or ordinance.

3.2.5 Franchisee must have participated in and supported the training procedures, purchasing, marketing, advertising, promotional, and other operational and training programs recommended or provided by Franchisor to the satisfaction of Franchisor.

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3.2.6 Franchisee must pay a renewal fee to Franchisor equal to Seven Thousand Five Hundred Dollars ($7,500) (the "**Renewal Fee**"); and

3.2.7 Franchisee agrees, at its sole cost and expense, to re-image, renovate, refurbish, and modernize the Approved Vehicle(s) and, if applicable, any Commercial Space within the time frame required by Franchisor, including the design, equipment, signs, interior and exterior, displays, inventory assortment and depth, fixtures, furnishings, trade dress, color scheme, presentation of trademarks and service marks, supplies, and other products and materials, as necessary to meet Franchisor's then-current System standards, specifications, and design criteria for a newly opened Franchised Business.

4. FEES AND PAYMENTS

4.1 Fees. In consideration of the rights and license granted herein, Franchisee agrees and acknowledges that it must pay the following amounts to Franchisor or, as noted below, Franchisor's designated supplier:

4.1.1 *Initial Fees.* Upon execution of this Agreement, Franchisee must pay to Franchisor the following fees which are fully earned and non-refundable under any circumstances upon payment. The initial franchise fee is equal to Thirty-Five Thousand Dollars ($35,000) to Seventy-Five Thousand Dollars ($75,000) based on the number of franchisees in a Permitted Territory (the "**Initial Franchise Fee**"), which pays for the costs of support to set up the Franchised Business and the costs of the Initial Training Program for Franchisee (or, if Franchisee is an entity, one of its operating principals) and up to two (2) additional individuals prior to the opening of the Franchised Business. The Initial Franchise Fee is not tied to any other pre-opening obligations of Franchisor.

4.1.2 *Royalty Fee.* On or before the 10th of each month, commencing in the first calendar month following the Business Launch Date (as set forth in the Data Sheet attached hereto), Franchisee must pay a monthly royalty fee to Franchisor (the "**Royalty Fee**") equal to 6% of the Gross Sales generated by the Franchised Business during the preceding calendar month. The Royalty Fee is fully earned and nonrefundable upon payment.

4.1.3 *Ongoing Platform Software Fee.* On or before the 10th of each month, commencing in the first calendar month following the Business Launch Date, Franchisee must pay the then-current software license fee for the System Software Platform (the "**Platform Software Fee**") to Franchisor or its then-current approved supplier for such software.

4.1.4 *Technology Fee.* Franchisor reserves the right to require that Franchisee pay its then-current technology fee for certain aspects of technology used in connection with the System and/or the operation of the Franchised Business to Franchisor or its then-current approved supplier in amount that Franchisor will determine (the "**Technology Fee**"). If Franchisor imposes a Technology Fee, Franchisee will be required to pay the Technology Fee at the same time and in the same manner as the Royalty Fee, or as otherwise set forth in writing by Franchisor. Franchisor may designate and/or change the amount, scope, or manner of payment of the Technology Fee, including the party to whom payment is made, at any time upon providing reasonable notice to Franchisee.

4.1.5 *National Brand Marketing Fund Contribution.* Franchisee will be required to contribute to a System-wide National Brand Marketing Fund (the "**Fund**") that Franchisor has established to promote the brand, Proprietary Marks and System, with such contribution equal to one percent (1%) of the Gross Sales of the Franchised Business during the preceding calendar month. Franchisee will be required to pay the Fund Contribution commencing the tenth (10th) day of first full calendar month after the Business Launch Date, at the same time and in the same manner as the Royalty Fee or as otherwise set forth in writing by Franchisor.

4.1.6 *Collaboration Fee*. Commencing in the first calendar month following execution of the Franchise Agreement, Franchisee will be required to pay Franchisor's then-current collaboration fee on or about the tenth (10th) day of each month to defray the costs associated with activities Franchisor determines appropriate to foster franchisee and System collaboration and/or communication (the "**Collaboration Fee**").

4.1.7 *Other Amounts.* The other amounts detailed in this Agreement that Franchisee will be required to expend in connection with the Franchised Business, including but not limited to: (i) expenditures necessary to comply with the "**Franchisee Marketing Requirement**" described in Section 9, as well as any other advertising and/or marketing requirements set forth herein; (ii) any items or services that must be purchased on an ongoing basis from one or more of Franchisor's approved suppliers (which may include Franchisor or its affiliate); and, (iii) any other training/tuition fees to provide certain types of training or on-site assistance to Franchisee and/or its designated trainees.

4.2 Definition of Gross Sales.. As used in this Agreement, "Gross Sales" includes all revenue generated via the operation of or in connection with the Franchised Business, including without limitation, the sale of Project-Related Materials and Products and provision of Approved Services to Clients, whether for cash, credit, check, barter or otherwise. "**Gross Sales**" will not include monies that are collected and submitted by Franchisee for the transmittal to the appropriate taxing authority.

4.3 Method of Payment..

4.3.1 *Method of Payment.* Franchisee must make all payments described in this Section by bank or certified check within five (5) days after receipt of an invoice from Franchisor.

4.3.2 *EFT Payment.* Franchisor reserves the right to require that Franchisee pay all fees and other amounts due to Franchisor and/or its affiliates under this Agreement through an electronic funds transfer program (the "**EFT Program**"), under which Franchisor automatically deducts all payments owed to Franchisor under this Agreement, or any other agreement between Franchisee and Franchisor or its affiliates, from the bank account Franchisee provides to Franchisor for use in connection with EFT Program (the "**EFT Account**"). Franchisee will pay all fees and other amounts due to Franchisor and/or its affiliates through the EFT Program upon Franchisor's written request or if Franchisee has failed to pay any fees and other amounts due to Franchisor and/or its affiliates when due.

4.3.3 Use of EFT Account for Operational Funds. Franchisee must deposit all revenues from operation of the Franchised Business into this bank account immediately upon receipt, including cash, checks, and credit card receipts within five (5) days of receipt. At least ten (10) days prior to opening the Franchised Business, Franchisee must provide Franchisor with: (i) Franchisee's bank name, address and account number; and (ii) a voided check from such bank account. Contemporaneous with the execution of this Agreement, Franchisee must sign and provide to Franchisor and Franchisee's bank, all documents, including Franchisor's form of EFT Authorization Form attached as Exhibit D to this Agreement, necessary to effectuate the EFT Program and Franchisor's ability to withdraw funds from such bank account via electronic funds transfer. Franchisee must immediately notify Franchisor of any change in Franchisee's banking relationship, including any change to the EFT Account.

4.4 Access to System Software Platform and Other Computer System Components. Franchisor may, without notice to Franchisee, have the right to independently and remotely access the System Software Platform and/or other Required Software, and any other computer system hardware and software that Franchisee is required to use in connection with the Franchised Business or will be required to use in the future (collectively, the "**Computer System**"), via the Internet or other electronic means, in order to obtain any financial and/or Client-related information associated with the Franchised Business, including without limitation, Gross Sales and Client leads and contract information. Franchisee hereby consents to Franchisor using and disclosing to third parties (including, without limitation, prospective and existing franchisees, financial institutions, legal and financial advisors), for any purpose or as may be required by law.

4.5 Monthly Operational Reporting and Prospective Client Interaction; Right to Modify Payment Interval.

4.5.1 Franchisee must: actively solicit and recruit prospective Clients within the Permitted Territory; and enter the contact information into the System Software Platform, consistent with Section 2.4, along with any future information about Client and/or project(s) at issue, in accordance with the System guidelines, with the parties agreeing and acknowledging that all such Client information will constitute the "**Confidential Information**" that is proprietary and owned solely and exclusively by Franchisor.

4.5.2 Franchisor has the right to require Franchisee to submit a Gross Sales report (the "**Gross Sales Report**"), which must be in the form and manner prescribed by Franchisor and certified as true and correct by Franchisee, no later than the 10th day of each month detailing the Gross Sales generated by the Franchised Business in the preceding calendar month, and the marketing expenditures that Franchisee incurred in the preceding calendar month, unless Franchisor is able to access such a report via any proprietary franchise management system or other software that Franchisee is required to use in connection with the Computer System.

4.5.3 The parties agree and acknowledge that Franchisor may modify the interval at which it collects Franchisee's Royalty Fee and other recurring fees under this Agreement upon written notice (*i.e.*, Franchisor may provide Franchisee with notice that it will be collecting these fees on a weekly rather than monthly basis). In such event, Franchisee's reporting obligations may also be modified by Franchisor accordingly.

4.5.4 Franchisee hereby grants Franchisor permission to use all reported information as it determines appropriate in its discretion, including the content entered into and/or stored in the System Software Platform.

4.6 Late Payments.. If any payment due under this Agreement is not received by Franchisor within thirty (30) days of the scheduled date due or a payment is dishonored or returned, Franchisee will be in default under this Agreement. If any payment is overdue, Franchisee must pay interest to Franchisor, in addition to the overdue amount, at a rate of the highest amount permitted by law in the state where the Franchised Business is located calculated on a daily basis but in no event more than the maximum rate permitted by applicable law, beginning from the date of non-payment or underpayment, until paid. Entitlement to collect such interest will be in addition to any and all other remedies available to Franchisor. Upon Franchisor's demand, Franchisee must pay a Fifty Dollars ($50.00) late payment fee to Franchisor for each electronic transfer made to Franchisor that is dishonored, fails to process, or is returned, regardless of whether Franchisor takes any additional action in relation to such default.

4.7 Taxes Owed by Franchisee. No payments to be made to Franchisor by Franchisee, whether for royalties, advertising, merchandise, special programs, or otherwise, may be reduced on account of the imposition by any federal, state, or local authority of any tax, charge, or assessment, or by any claim Franchisee may have against Franchisor. Franchisee must pay all taxes, charges, or assessments to the taxing authorities when due, in addition to the amounts due to Franchisor.

5. DUTIES OF FRANCHISOR

5.1 Initial Training Program. Franchisor will offer and make available an initial training program for Franchisee and up to two (2) additional management personnel designated by Franchisee (the "**Initial Training Program**"), provided these individuals attend at the same time. One of the trainees must be Franchisee (or one of Franchisee's principals responsible for the Franchised Business if Franchisee is an entity) and, if applicable, at least one of the other attendees must be Franchisee's proposed designated manager that Franchisee wishes to be responsible for the day to day management of the Franchised Business, subject to Franchisor's prior written approval (the "**Designated Manager**").

5.1.1 The Initial Training Program will consist of instruction that will typically take place either at Franchisor's headquarters or other designated training facility within the United States, with the right to provide any portion of such program remotely via teleconference and focus on the training and assistance in connection with the System and franchised Business establishment and operations. Franchisor will provide the Initial Training Program subject to the schedules and availability of Franchisor's personnel.

5.1.2 Franchisee must complete the Initial Training Program prior to the opening of the Franchised Business, with the parties agreeing and acknowledging that Franchisee will have been considered to have launched the Franchised Business operations as of the day after all required pre-opening training has been conducted.

5.1.3 Franchisee agrees and acknowledges that it will be responsible for all costs and expenses associated with attending and completing the Initial Training Program including without limitation, the costs associated with flight or other travel, lodging, meals, local transportation and (if appropriate) wages.

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5.1.4 Franchisor will provide the Initial Training Program for up to three (3) attendees and any additional trainees at its then-current initial training fee (subject to the availability of Franchisor's staff).

5.1.5 The parties agree and acknowledge that Franchisor's standard franchise offering and this Agreement assume that each of Franchisee's personnel or third-party contractors that provide any Approved Services or Project-Based Materials and Product(s) must be a Qualified Contractor that is properly certified and/or licensed to work with and install the Approved Products, as well as otherwise perform the services necessary to complete projects for the customers of the Franchised Business. Franchisee acknowledges and agrees that, if and to the extent required, Franchisee will be responsible for ensuring all such Qualified Contractors (if and as Franchisee negotiated with such third parties) in order to continue providing certain Project-Related Materials and Products on behalf of Franchisee's Clients in compliance with applicable laws and regulations.

5.2 Replacement Personnel Training. Franchisor will also provide the Initial Training Program to any replacement personnel or those who attend but fail to complete the program as well, provided Franchisee pays Franchisor's then-current initial training fee (as well as any costs and expenses incurred).

5.3 Provision of Ongoing Training.

5.3.1 *Required Additional Training.* Franchisor may, as it determines is appropriate, develop additional and refresher training courses, and Franchisor has the right to require that Franchisee and its management personnel attend such courses no more frequently than: (i) two (2) sessions of additional/refresher training per year, which, combined, will not exceed seven (7) total days and may take at Franchisor's headquarters or other location in the United States that Franchisor designates; and, (ii) twenty-four (24) hours of additional or refresher training via webinar, Skype, or other medium that allows for remote attendance and completion ("**Additional Training**"). Franchisor will not require Franchisee to pay its then-current training fee in connection with any Additional Training that Franchisor requires under this Section, but Franchisee will be responsible for the costs and expenses incurred in connection with Franchisee and its designated personnel attending such training.

5.3.2 *Requested Additional Training and/or On-Site Assistance.* Franchisor may also provide Additional Training or other on-site assistance at Franchisee's reasonable written request, subject to: (i) the schedule and availability of Franchisor's training personnel; and, (ii) Franchisee paying Franchisor's then-current training fee for each trainer that is provided in connection with the requested Additional Training, as well as Franchisee covering the costs and expenses that such personnel incur in providing such training. Franchisor will provide Additional Training under this Section as it determines is necessary and appropriate.

5.3.3 *Remedial Training.* Franchisor may require Franchisee to attend remedial training that Franchisor determines Franchisee and appropriate personnel must undertake in response to the failure of Franchisee or any other required personnel to complete the Initial Training Program or any type of Additional Training that Franchisor requires under Section 5.3.1 sufficiently, or Franchisee's failure to operate the Franchised Business in accordance with the terms of this Agreement after Franchisor has provided

Franchisee with written notice of such failure (each, an instance of "**Remedial Training**"). Franchisor has the right to charge its then-current training fee for any Remedial Training that is provided to Franchisee and/or its personnel. Franchisee will be responsible for all expenses incurred in connection with Franchisee's and Franchisee's personnel attending the Remedial Training. If the Remedial Training is conducted at the Approved Location, then Franchisee must pay the costs and expenses Franchisor and its personnel incurs to provide such Remedial Training.

5.4 Manuals; System Sites.

5.4.1 Subject to payment in full of all initial fees, Franchisor will provide Franchisee with access to the Manual(s) prior to the opening of the Franchised Business. Franchisor will also loan Franchisee a list of: (i) all fixtures, equipment, inventory, supplies and other items that Franchisee is required to purchase or lease in connection with the internal operation of the Franchised Business (collectively, the "**Required Items**"); (ii) a list of all suppliers from which Franchisee must purchase or lease any Required Items, which may be Franchisor or its affiliates (collectively, the "**Approved Suppliers**"); and, (iii) Franchisor's then-current Banned List of Items and Suppliers. The foregoing lists may be provided as part of the Manuals or otherwise in writing prior to opening or any time thereafter, and Franchisor has the right to revise, supplement or otherwise modify these lists and the Manuals at any time upon written notice to Franchisee.

5.4.2 Franchisor may also establish and maintain a website portal or other intranet for use by Franchisee and other Business owners (the "**System Site**"), where Franchisor will post content that automatically becomes part of, and constitute a supplement to, the Manuals. Franchisee must strictly comply with the Manuals promptly after such content is posted or otherwise listed on the System Site. If Franchisee or its personnel saves an electronic copy or prints out a hard copy of any Manual, then such electronic/hard versions of said Manuals must be immediately returned upon expiration or termination of this Agreement for any reason (and never used for any competitive purpose). The provisions of this Section will survive the termination or expiration of this Agreement.

5.5 Home Office and Optional Commercial Space after Initial Operations Period.

5.5.1 *Home Office.* Franchisee must operate from a home office that affords Franchisee a dedicated working space and that otherwise meets any System standards set forth in the Manuals or otherwise provided by Franchisor to Franchisee in writing.

5.5.2 *Commercial Space: Location and Lease.* With respect to any Commercial Space that Franchisee desires to acquire as the Approved Location for the Franchised Business, Franchisor reserves the right (but has no obligation) to review any proposed Commercial Space in writing. Franchisor may provide Franchisee with basic site selection criteria that Franchisor may (but is not obligated to) establish for the site of a Commercial Space to the extent such criteria have been reduced to writing. Franchisor reserves the right to require Franchisee to submit such information that Franchisor reasonably requires to conduct its analysis of any proposed Approved Location. If Franchisor requires Franchisee to provide such information, Franchisor will approve or reject Franchisee's proposal within 30 days unless delayed due to circumstances outside Franchisor's control.

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5.5.3 *Acknowledgement.* The parties agree and acknowledge that Franchisor's approval of any given home office or Approved Location does not constitute a guarantee or other representation that the Franchised Business will succeed or otherwise perform at a certain level at that location. Franchisee must also provide Franchisor with a copy of the lease agreement for the Approved Location of any Commercial Space (the "**Lease**") prior to Franchisee entering into such agreement. Franchisor may condition its approval of any proposed Approved Location on the landlord's execution of a form of Consent and Agreement of Landlord that is in a form substantially similar to Exhibit C.

5.6 Continuing Assistance.

5.6.1 Franchisor will, as it determines is appropriate and advisable, provide continuing advisory assistance in the operation of the Franchised Business. Franchisor's determination not to provide any particular service, either initial or continuing, will not excuse Franchisee from any of its obligations under this Agreement.

5.6.2 Franchisor may provide such assistance via telephone, fax, intranet communication, Skype or any other communication channel that Franchisor determines is appropriate, subject to the availability and schedules of Franchisor's personnel.

5.7 Review of Advertising Materials. Franchisor will review and approve or reject any advertising or marketing materials proposed by Franchisee for use in the Franchised Business, as provided in Section 9.

5.8 Website. If Franchisor has an active website containing content designed to promote the Franchisor's brand, System and Proprietary Marks (collectively, the "**Website**"), Franchisor may list the contact information of the Franchised Business on this Website, as provided in Section 9.

5.9 Email Addresses. Franchisor will provide Franchisee with at least one (1) email address, which: (i) Franchisee will use only in connection with the Franchised Business; (ii) will be the only email addresses used in connection with the Franchised Business; and, (iii) will be owned by Franchisor. Franchisor will have full right of access to all communication using such email address both to and from Franchisee.

5.10 Private Label Products. Franchisor may develop and provide Franchisee with private label products or other merchandise bearing the Proprietary Marks directly, or indirectly through Franchisor's affiliates or designated vendors. Such private label products or other merchandise will be used by Franchisee and/or offered and sold by Franchisee as part of the Approved Services. Franchisee may be required to purchase or lease such items from Franchisor or any other Approved Supplier that Franchisor designates.

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5.11 Inspections of the Approved Location and Approved Vehicle(s). Franchisor has the right to conduct inspections and/or audits of the Franchised Business, the Approved Vehicle(s) and, if applicable, the Commercial Space, as it determines is appropriate, upon not more than 48 hours' notice. The purpose of the inspections and/or audits is to ensure that Franchisee is operating its Franchised Business in compliance with the terms of this Agreement, the Manuals, and the System standards and specifications. Such inspections and/or audits may include inspections of any and all books and records and mystery shop services. Inspections of any Approved Location and/or Approved Vehicles will only occur during normal business hours and, with respect to the Approved Location, will only involve the physical area that is specifically devoted to the Franchised Business (which may include where the Approved Vehicle is stored).

5.12 Annual Conference. Franchisor may establish and conduct an annual conference for all Franchised Business owners and operators. Franchisor has the right to require that Franchisee (or its Designated Manager) attend this conference for no more than five (5) days each calendar year. Franchisee will be solely responsible for all expenses incurred in attending the annual conference.

5.13 No Assumption of Liability. Franchisor will not assume any responsibility or liability to Franchisee or to any third party to which it would not otherwise be responsible or liable by virtue of any approvals or advice provided to the Franchisee under this Agreement, including site approval or other approval provided under this Section 5. Franchisee acknowledges that any assistance (including site selection) provided by Franchisor or its designee in relation to the selection or development of the Approved Location is only for the purpose of determining compliance with System standards and does not constitute a representation, warranty, or guarantee, express, implied or collateral, regarding the choice and location of the Approved Location, that the development of the Approved Location is free of error, or that the Franchised Business is likely to achieve any level of volume, profit or success.

5.14 Delegation of Duties. Franchisee acknowledges and agrees that any designee, employee, or agent of Franchisor may perform any duty or obligation imposed on Franchisor by the Agreement, as Franchisor may direct.

6. DUTIES OF FRANCHISEE

6.1 Approved Location. Franchisee must initially open and operate from a home office and the parties will designate the location of that home office as the Approved Location of the Franchised Business on the Data Sheet attached to this Agreement. Franchisee must demonstrate to Franchisor that the designated home office meets System standards prior to signing this Agreement. If Franchisee wishes to subsequently establish and/or add any Commercial Space from which to display and offer the Approved Products, then Franchisee must comply with Franchisor's then-current site approval process.

6.2 Completion of Initial Training Program and Business Launch Date.

6.2.1 *Required Completion of Initial Training Program.* Franchisee, or Franchisee's Designated Manager (if applicable), and other required trainees must designate a manager for the Franchised Business who must attend and successfully complete all training that are prescribed by Franchisor. Franchisee must also pay all costs associated with Franchisee's personnel attending the Initial Training Program.

6.2.2 *Business Launch Date.* The "**Business Launch Date**" is the earlier of the day following Franchisee's completion of the Initial Training Program; or, three (3) months following the Effective Date.

6.2.3 *Failure to Complete or Participate in any Required Training.* Franchisee's, or its personnel's, failure to attend and complete the Initial Training Program or other training/conferences required in this Section 6 is a material default of this Agreement and grounds for termination if not cured within the appropriate cure period set forth in Section 15 (if any).

6.2.4 *Training of Franchised Business Personnel.* Franchisee or at least one (1) of Franchisee's personnel who has successfully completed the entire Initial Training Program must conduct training classes for, and train, each of Franchisee's employees on sales, advertising, maintenance of the Approved Location, Required Software and Computer System, and any other information that is relevant to each employee's role with the Franchised Business, including Franchisor's standards and specifications for utilizing the System Software Platform and otherwise associated with the Franchised Business, as Franchisor may set forth in the Manuals or otherwise in writing.

6.3 Pre-Opening Requirements to Launch Franchised Business in Compliance with Applicable Law. Prior to opening and commencing operation of the Franchised Business, Franchisee must ensure it has engaged all required personnel necessary to offer and provide the Approved Services including, without limitation, any Qualified Contractors; and, has otherwise acquired any and all licenses, permits and other third-party approvals necessary to operate the Franchised Business under applicable laws of the Permitted Territory.

6.4 Required Timeline to Launch Business and Commence Operations. Unless Franchisor agrees otherwise in writing, Franchisee must complete the Initial Training Program and all other pre-opening obligations necessary to launch and commence operations of the Franchised Business no later than three (3) months from the Effective Date (the "**Opening Deadline**"). Franchisee's failure to commence operations by the Opening Deadline will constitute a material default under this Agreement and be grounds for termination if not cured within the cure period, if any, set forth in Section 15.

6.5 Offer and Provision of Products and Services to Clients and Related Requirements.

6.5.1 Franchisee is solely responsible for ensuring that it only promotes, offers and/or provides Project-Related Materials and Products that (a) comply with applicable laws and the terms of this Agreement; (b) are not listed on Franchisor's then-current Banned List of Items and Suppliers; and, (c) are supplied, installed or otherwise utilized by parties that meet the criteria to serve as a Qualified Contractor for any products or materials that involve such requirements.

6.5.2 Franchisee must also ensure that: (i) Franchisee complies with all laws applicable to the Franchised Business, this Agreement and/or any other agreement related to Collaborative Marketing Efforts; (ii) such services are provided, if and as required, utilizing Qualified Contractors, Project-Related Materials and Products and corresponding suppliers that are not listed on Franchisor's then-current Banned List of Items and Suppliers, consistent with Section 6.5.1.

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6.5.3 Franchisor has the right to require that Franchisee provide the details of any given Client project and related Project-Related Materials and Products and supplier information upon request. If Franchisor makes a request, such details must be provided within 10 business days (either via the System Software Platform or other method that Franchisor designates).

6.5.4 The parties agree and acknowledge that Franchisor will have no liability or responsibility for the kinds of Project-Related Materials and Products, corresponding suppliers and/or Qualified Contractors that Franchisee determines to use in connection with any Client project, regardless of whether Franchisor makes any kinds of inquiry as set forth in Section 6.5.3.

6.5.5 Franchisee's failure to comply with the provisions of this Section 6.5 will be a material default under this Agreement and grounds for termination, as set forth in Section 15.

6.6 Approved Vehicle(s) and Other Required Items Used to Operate the Franchised Business. Franchisee must: (i) purchase, lease, and/or maintain any and all Required Items that Franchisor designates for use in connection with the Franchised Business that may include, without limitation, the Approved Vehicle, Computer System, equipment, supplies, inventory; (ii) ensure that all Required Items meet Franchisor's standards and specifications; and, (iii) purchase all items Franchisor specifies from the Approved Supplier(s) that Franchise designates, which may include Franchisor or its affiliate(s). Franchisee agrees and acknowledges that Franchisor and/or its affiliates may receive payments from suppliers on account of their dealings with Franchisee and other franchisees and to use all amounts Franchisor receives without restriction (unless instructed otherwise by the supplier) for any purposes Franchisor determines is appropriate. Franchisee will cause the Approved Vehicle to be wrapped or otherwise branded as approved by Franchisor prior to opening the Franchised Business. Franchisee agrees to maintain all Approved Vehicles in good mechanical condition and an appearance that properly represents the brand and System to the public and to improve vehicle appearance at the request of the Franchisor. Franchisor also has the right to require that Franchisee install a GPS tracking device designated by Franchisor on the Approved Vehicle(s) so Franchisor can track the Approved Vehicle(s) and Franchisee will pay the costs associated with initial installation and the ongoing service fees associated with the GPS device(s).

6.7 Maintenance of Approved Vehicle and other Required Items. Franchisee must maintain at all times during the Initial Term and any Renewal Term, at Franchisee's expense, the Approved Vehicle(s), the Franchised Business, and all equipment, fixtures, furnishings, signs, artwork, décor items and inventory, as necessary to comply with Franchisor's standards and specifications, as prescribed in the Manuals or otherwise in writing. Franchisee must also make such additions, alterations, repairs, and replacements to the foregoing as Franchisor requires. At Franchisor's request, Franchisee will refurbish and upgrade the Franchised Business at its expense, to conform to the building design, trade dress, color schemes, and presentation of Proprietary Marks consistent with Franchisor's then-current standards and conditions for the System, including without limitation, redecoration, remodeling, and modifications to existing improvements. Franchisee will also, upon Franchisor's request, make any and all required refurbishments, upgrades and/or replacements to the Approved Vehicle that Franchisor requires for the presentation, vehicle wrap, trade dress, color schemes, Proprietary Marks, graphics, marketing messages and other cosmetic attributes of the Approved Vehicle (collectively, the "**Vehicle Updates**"). Franchisor agrees that if the Approved Vehicle is functioning fully and able to provide the Approved Products and Approved Services safely without tarnishing the goodwill

of the Proprietary Marks, System or Franchised Business, Franchisee will not be required to replace the Approved Vehicle. Franchisee will complete the changes described in this Section within one (1) month from its receipt of Franchisor's request.

6.8 Completion and Participation in All Required Ongoing Training. Franchisee must ensure that it, as well as its Designated Manager and any other management or personnel that Franchisor designates, participate in and complete all required Additional Training (including refresher training) and, if applicable, Remedial Training, that Franchisor has the right to require in this Agreement; and, Franchisee must pay Franchisor's then-current training fee in connection with any such training that Franchisor requires or Franchisee otherwise requests or determines to participate in, consistent with the terms of this Agreement.

6.9 Compliance with Applicable Laws. Franchisee must at all times conduct and operate the Franchised Business in accordance with all applicable federal, state and local laws, ordinances, rules and regulations, including ensuring proper engagement and use of Qualified Contractors.

6.10 Franchisee's Proposals and Requests to Approved Items on Banned List of Items and Suppliers or Non-Traditional Renovation-Related Products or Services. Franchisor may, but is not obligated to, review and grant Franchisee's request to: (i) offer any products or services in the Business that are listed on Franchisor's then-current Banned List of Items and Suppliers; or, (ii) provide any products or services that are not typically associated with residential home or apartment renovations and remodeling projects.

6.10.1 If Franchisee wishes to undertake either of these actions, Franchisee must request and obtain Franchisor's approval in writing before: (i) using or offering the non-approved product or service in connection with the Business; or (ii) purchasing from a non-approved supplier.

6.10.2 Franchisor may require that Franchisee submit samples or information so that Franchisor can make an informed decision whether the goods, equipment, supplies or supplier meet Franchisor's specifications and quality standards. In evaluating a supplier that Franchisee proposes to Franchisor, Franchisor may consider not only the quality of the particular product at issue, but also any proposed supplier's production and delivery capability, overall business reputation and financial condition. Franchisor may provide any alternate supplier with a copy of Franchisor's then-current specifications for any product(s) supplier might supply, provided the supplier enters into a confidentiality and non-disclosure agreement in the form Franchisor specify. Franchisor has the right to inspect a proposed supplier's facilities and test its products, and request that Franchisee reimburse Franchisor's actual costs associated with the testing/inspection. Franchisor will notify Franchisee in writing within thirty (30) days after receiving all necessary information and/or completing inspection or testing to advise Franchisee if Franchisor approves or disapproves the kind of Franchisee proposal made under this Section. The criteria that Franchisor uses to approve or reject new suppliers is proprietary, but Franchisor may (but is not required to) make it available to Franchisee upon request. Franchisor's approval of any Franchisee proposal under this Section may be conditional on any supplier at issue meeting usual and customary requirements regarding insurance, indemnification and non-disclosure.

6.10.3 Franchisor has the right to re-inspect and/or revoke approval of any supplier or item approved pursuant to this Section at any time and for any reason to protect

the best interests and goodwill of the System and Proprietary Marks. The revocation of a previously approved product or supplier is effective immediately upon written notice from Franchisor of revocation and, following receipt of notice, the revoked items will be deemed to be listed on Franchisor's then-current Banned List of Items and Suppliers.

6.11 Image. Franchisee will maintain the image of the Franchised Business, Approved Location and Approved Vehicle(s) at all times in accordance with Franchisor's standards and specifications.

6.12 Client Information and Data/Agreements; Privacy Laws.

6.12.1 Franchisee must: (i) maintain a list of all of its current and former Clients, as well as any contracts and other documentation relating to any Approved Products and Approved Services provided to such Clients, at the Approved Location and stored within any Proprietary Software that Franchisor designates (including any franchise management system); and (ii) make sure all such information and contracts are recorded in the System Software Platform properly and is accessible to and owned by Franchisor at all times. Franchisee must return this information to Franchisor promptly upon expiration or termination of this Agreement for any reason. All such Client information and all Approved Services contracts with such Clients is "**Confidential Information**" (as defined in this Agreement) and is Franchisor's exclusive property. Franchisee acknowledges that Franchisor will have automatic access to any or all of this information via the Computer System and Required Software (including the current System Software Platform).

6.12.2 In addition to complying with Confidential Information obligations under this Agreement, Franchisee agrees to comply with all applicable laws pertaining to the privacy of the customer, employee, and transactional information ("**Privacy Laws**"), including (if applicable) advising any Clients or other third parties that provide such Confidential Information of Franchisor's rights to access, store and use such information pursuant to this Agreement. Franchisee agrees not to publish, disseminate, implement, revise, or rescind a data privacy policy without Franchisor's prior written consent.

6.13 Promotional Prices; Pricing Guidelines. To the extent permitted under applicable law, Franchisee must use commercially reasonable efforts to follow Franchisor's general pricing guidelines, including any promotional prices set by Franchisor.

6.14 Customer Service and Quality of Products/Suppliers. Franchisee will manage and operate the Franchised Business in an ethical and honorable manner; and, must ensure that all those working at the Franchised Business provide courteous and professional services to customers and always keep its customers' interests in mind while protecting the goodwill of the Proprietary Marks, System, and the Franchised Business. Franchisee must handle all customer complaints and requests for returns and adjustments in a manner consistent with Franchisor's standards and specifications, and in a manner that will not detract from the name and goodwill enjoyed by Franchisor, subject to compliance with mandatory consumer protection and product and service warranty laws in the Permitted Territory. Franchisee must consider and act promptly with respect to handling of customer complaints, and implement complaint response procedures that Franchisor outlines in the Manuals or otherwise in writing. Franchisee has the sole responsibility for all product or service warranty claims and resolution of customer complaints. Franchisor has no liability to any person for the same unless Franchisor is direct supplier of a product or service to the customer.

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6.15 Access for Inspections/Audit.

6.15.1 To determine whether Franchisee is complying with this Agreement, Manuals, and the System, Franchisor and its designated agents or representatives may at all times and without prior written notice to Franchisee: (i) observe and monitor the operation of the Franchised Business for consecutive or intermittent periods as Franchisor determines is necessary; (ii) always have the right to access and monitor Client and other information related to the Franchised Business in the System Software Platform; (iii) interview or survey personnel and Clients of the Franchised Business; and, (iv) inspect, audit and/or copy any books, records, and agreements relating to the operation of the Franchised Business, including all financial information. If Franchisor exercises any of these rights, Franchisor will not interfere unreasonably with the operation of the Franchised Business.

6.15.2 If Franchisor requires Franchisee to place a GPS tracking device on the Approved Vehicle(s), Franchisee agrees and acknowledges that: (i) Franchisee will not attempt to remove or otherwise tamper with such GPS device(s); and (ii) Franchisor's use of such GPS devices in the manner described in this Agreement does not constitute a control mechanism or any violation of the privacy rights of Franchisee, its owners, or any other representatives. Franchisee agrees to cooperate with Franchisor fully in connection with these undertakings by Franchisor (if taken) and take such steps as may be necessary to correct the deficiencies detected during any such inspection immediately. If Franchisor exercises any of these rights, Franchisor will not interfere unreasonably with the operation of the Franchised Business.

6.16 Personal Participation by Franchisee. Franchisee (or if Franchisee is an entity, one of its operating principals that has completed the Initial Training Program) must personally participate in the direct management operation of the Franchised Business on a full-time basis, unless Franchisee engages a Designated Manager that Franchisor approves in writing to manage the day-to-day operations of the Franchised Business when Franchisee is not present. If Franchisee designates a manager, that manager must complete the Initial Training Program successfully prior to assuming any management responsibilities in connection with the Franchised Business. Regardless, Franchisee is solely responsible for all aspects of the operation of the Franchised Business and ensuring that all the terms, conditions, and requirements contained in this Agreement and in the Manuals are met and kept.

6.17 Credit Cards and Payment Methods. To facilitate sales, Franchisee must accept credit and debit cards in connection with the Franchised Business, including Visa, MasterCard, American Express, Discover and any other major credit cards designated by Franchisor or that are commonly in use in the Permitted Territory. Franchisee may also accept cash and/or checks and/or internet banking or other electronic or direct payment methods in connection with the Franchised Business. Franchisee agrees to comply with the then-current Payment Card Industry Data Security Standards ("**PCI DSS**"), as such standards may be revised and modified by the PCI Security Standards Council (see www.pcisecuritystandards.org), or any successor organization or standards that Franchisor may reasonably specify. Franchisee's requirements include, but are not limited to, implementing the enhancement, security requirements, and other standards that the PCI Security Standards Council (or its successor) requires of a merchant that accepts payment by credit and/or debit cards.

6.18 Payments to Franchisor. Franchisee agrees to pay Franchisor all payment and contributions when due to Franchisor, its affiliates, or any Approved Supplier.

6.19 Employment Decisions. Franchisee agrees to be solely responsible for all employment decisions and to comply with all state, federal, and local hiring laws and functions of the Franchised Business, including without limitation, those related to hiring, firing, training, wage and hour requirements, compensation, promotion, record-keeping, supervision, and discipline of employees, paid or unpaid, full or part-time. Franchisee's employees must be competent, conscientious, and properly trained.

6.20 Minimum Performance Requirement. Commencing six (6) months after the Business Launch Date, Franchisee must meet the following minimum productivity levels (collectively, the "**Minimum Productivity Levels**") in connection with its operation of the Franchised Business in each subsequent three (3) month period of operations that follows (each, an "**Applicable MPL Quarter**"), with such Minimum Productivity Levels based on how long the Franchised Business has been open and operating:

Applicable MPL Quarter	Minimum Productivity Level (In Term of the Gross Sales that the Franchised Business Must Generate)
First Six (6) Months following the Business Launch Date	No required minimum level of Gross Sales during this period.
Months 7 through 18	$100,000 in Gross Sales per Applicable MPL Quarter
Months 19 through 36	$200,000 in Gross Sales in each Applicable MPL Quarter
Month 37 and Thereafter	$300,000 in Gross Sales in each Applicable MPL Quarter

If Franchisee fails to meet the applicable Minimum Productivity Levels for any Applicable MPL Quarter, Franchisor has the right to require Franchisee to participate in a business improvement plan. If Franchisee fails to participate in the business improvement plan or fails to meet the objectives of the business improvement plan to Franchisor's satisfaction, Franchisor has the right to send Franchisee a notice of default. If Franchisee is provided with such notice and fails to cure that default within the calendar quarter that Franchisee received the notice from Franchisor; then, Franchisor has the right to: (i) terminate this Agreement; or, (ii) require Franchisee, its management and any key role personnel Franchisor designates to attend Remedial Training and complete to Franchisor's satisfaction as part of Franchisee's required curative actions.

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8. PROPRIETARY MARKS

8.1 Ownership of Proprietary Marks. Franchisee acknowledges Franchisor's and its affiliates' exclusive ownership and/or right to use the Proprietary Marks, and, Franchisee agrees that during Initial Term, any Renewal Term and after expiration or termination, Franchisee will not directly or indirectly contest or aid in contesting the validity or the ownership or rights of the Proprietary Marks by Franchisor or its affiliates. Furthermore, Franchisee acknowledges that any commercial use Franchisee may make of the Proprietary Marks will contribute and inure to the commercial use and benefit of Franchisor and its affiliates, which Franchisor may claim to strengthen and further secure ownership of the Proprietary Marks.

8.2 Permitted Use. Franchisee's right to use the Proprietary Marks is only to operate the Franchised Business, and includes only such Proprietary Marks as are now designated, or which may hereafter be designated in the Manuals or otherwise in writing as part of the System (which might or might not be all of the Proprietary Marks pertaining to the System owned by the Franchisor or its affiliates), and does not include any other mark, name, or indicia of origin of Franchisor now existing or which may hereafter be adopted or acquired by Franchisor or its affiliates.

8.3 Use of Proprietary Marks in Advertising and Signage. To develop and maintain high, uniform standards of quality and service and protect Franchisor's reputation and goodwill, as well as that of the System, Franchisee agrees to:

8.3.1 Operate and advertise the Franchised Business only under the Proprietary Marks authorized by Franchisor as specified in this Agreement or the Manuals;

8.3.2 Maintain and display signage and advertising bearing the Proprietary Marks that reflects the current commercial image of the System and, upon notice from Franchisor, to discard and cease use of Proprietary Marks or other imagery immediately that has become obsolete and no longer authorized by Franchisor.

8.3.3 Affix in a conspicuous location in or upon the Approved Location (if a Commercial Space), as well as any Approved Vehicle/s and signage, a sign or notice containing the following notice: "This business is owned and operated independently by (*name of franchisee*) who is an authorized licensed user of the trademark, REFRESH RENOVATIONS, under a license agreement with Franchisor."

8.3.4 In all public records, in relationships with other persons, and on letterhead, business cards, advertising, and business forms, to indicate Franchisee's independent ownership of the Franchised Business and that Franchisee is solely an independent franchisee of Franchisor.

8.4 Proprietary Marks are Sole Property of Franchisor. Franchisee acknowledges that the Proprietary Marks, System, Manuals, and all other information and items delivered to Franchisee by Franchisor pursuant to this Agreement or in furtherance of the System, including without limitation, signage, video and audio tapes or disks, information communicated by electronic means, and intellectual property, are the sole and exclusive property of Franchisor, and Franchisee's right to use the same are contingent upon Franchisee's continued full and timely performance under this Agreement. Franchisee acknowledges that it acquires no rights, interests, or claims to any of said property, except for Franchisee's rights to use the same under this Agreement strictly in the manner prescribed. Franchisee agrees that it will not, at any time, contest

or challenge the sole and exclusive proprietary rights of Franchisor (and, if appropriate, Franchisor's affiliates) to the Proprietary Marks, System, Manuals, and other information, intellectual property, and items delivered or provided or to which Franchisee obtains access under this Agreement, nor will Franchisee claim any proprietary interest in such property. Franchisee agrees that it will not adopt, display, attempt to register or otherwise use any names, marks, insignias, or symbols in any business that are or may be confusingly similar to the Proprietary Marks licensed under this Agreement.

8.5 Legal Action Involving Proprietary Marks. Furthermore, Franchisee agrees to cooperate with and assist Franchisor in connection with any legal proceedings brought by or against either of them regarding the protection and preservation of the Proprietary Marks, System, or the Manuals and other information and intellectual property delivered to Franchisee or used by Franchisee under this Agreement.

8.6 Modification or Substitution of Marks by Franchisor. If, in Franchisor's reasonable determination, the use of Proprietary Marks in connection with the System will infringe or potentially infringe upon the rights of any third party or weaken or impair Franchisor's rights in the Proprietary Marks; or, at any time, Franchisor determines that it is advisable to modify or discontinue the use of one (1) or more additional or substitute trade or service Proprietary Marks; then, upon notice from Franchisor, Franchisee will terminate or modify, within a reasonable time, such use, in the manner prescribed by Franchisor. If Franchisor changes the Proprietary Marks in any manner, Franchisor will not reimburse Franchisee for any out-of-pocket expenses that Franchisee incurs to implement such modifications or substitutions. Franchisor is not obligated to reimburse Franchisee for any loss of goodwill or revenue associated with any modified or discontinued Proprietary Mark, nor is Franchisor responsible for reimbursing Franchisee for any other costs or damages.

8.7 Modification of Proprietary Marks by Franchisee. Franchisee agrees not to make any changes or amendments whatsoever in or to the use of the Proprietary Marks unless directed by Franchisor in writing.

8.8 Non-Exclusive Use of Proprietary Marks. Franchisee understands and agrees that its right to use the Proprietary Marks is non-exclusive, that Franchisor has the right to grant licenses to others to use the Proprietary Marks and obtain the benefits of the System in addition to the licenses and rights granted to Franchisee under this Agreement; and, that Franchisor may develop and license other trademarks or service marks in conjunction with systems other than the System on any terms and conditions as Franchisor may deem advisable where Franchisee will have no right or interest in any such other trademarks, licenses, or systems.

8.9 Acknowledgements. With respect to Franchisee's use of the Proprietary Marks pursuant to this Agreement, Franchisee acknowledges and agrees that:

8.9.1 Franchisee will not use the Proprietary Marks as part of Franchisee's corporate or any other business name, domain name, e-mail address or any social media or social networking profile/page;

8.9.2 Franchisee will not hold out or otherwise use the Proprietary Marks to perform any activity or incur any obligation or indebtedness in such a manner as might in any way make Franchisor liable therefore without Franchisor's prior written consent; and

8.9.3 Franchisee must execute any documents and provide such other assistance determined to be necessary by Franchisor or its counsel to obtain protection for Proprietary Marks or to maintain the continued validity of such Proprietary Marks.

8.10 Use Outside Scope. Franchisee acknowledges that the use of the Proprietary Marks outside the scope of this Agreement without Franchisor's prior written consent is an infringement of Franchisor's exclusive right to use the Proprietary Marks and, during the Initial Term and after the expiration or termination, Franchisee covenants not to commit an act of infringement, contest or aid in contesting the validity or ownership of Franchisor's Proprietary Marks, or take any other action in derogation thereof, directly or indirectly.

8.11 Notification of Infringement. Franchisee must notify Franchisor within three (3) calendar days of any suspected infringement of, or challenge to, the validity of the ownership of, or Franchisor's right to use, the Proprietary Marks licensed hereunder. Franchisee will not communicate with any persons other than Franchisor or Franchisor's legal counsel in connection with any such infringement, challenge, or claim. Franchisee acknowledges that Franchisor has the right to control any administrative proceeding or litigation involving the Proprietary Marks. In the event Franchisor undertakes the defense or prosecution of any litigation relating to the Proprietary Marks, Franchisee agrees to execute any and all documents and to do such acts and things as may be necessary in the opinion of counsel for Franchisor to carry out such defense or prosecution.

8.12 Indemnification Regarding Marks. Franchisor will indemnify and defend Franchisee against any third-party claim brought against Franchisee that arises solely out of Franchisee's authorized use of the Proprietary Marks licensed under this Agreement in connection with the operation of the Franchised Business, provided: (i) such use is in full compliance with Franchisor's standards and specifications; and, (ii) Franchisee notifies Franchisor in writing of this third-party claim within three (3) calendar days of receiving notice or otherwise learning of the claim. Franchisor will have complete control over the defense and, if appropriate, settlement negotiations and resolution regarding the claims described in this Section, including the right to select legal counsel Franchisor determines is appropriate. Franchisee must fully cooperate with Franchisor in connection with Franchisor's defense or settlement of any third-party claim that Franchisor determines to take control of under this Section 7. Notwithstanding anything in this Section to the contrary, Franchisor's liability under this Section will be limited to no more than the Initial Franchise Fee paid under this Agreement.

8.13 Other Obligations of Franchisee. In addition to all other obligations of Franchisee with respect to the Proprietary Marks, Franchisee agrees:

8.13.1 To feature and use the Proprietary Marks solely in the manner prescribed by Franchisor and not use the Proprietary Marks on the Internet or otherwise online, except as approved in writing by Franchisor; and

8.13.2 To observe all such requirements with respect to service mark, trademark and copyright notices, fictitious name registrations, and the display of the legal name or other identification of Franchisee as Franchisor may direct in writing from time to time.

9. OPERATIONS MANUALS AND CONFIDENTIAL INFORMATION; IMPROVEMENTS

9.1 Manuals. Franchisor will provide Franchisee with access to one (1) copy of the Manuals. The Manuals will, at all times, remain the sole property of Franchisor. Any and all copies (hard copies or electronic files) of the Manuals must be returned (and permanently deleted from any device or cloud file storage account owned or controlled by Franchisee) to Franchisor upon termination, expiration or non-renewal of this Agreement. To protect the reputation and goodwill of Franchisor and the System and to maintain uniform standards of operation under Franchisor's Proprietary Marks, Franchisee must conduct the Franchised Business in strict accordance with Franchisor's Manuals. For Franchisee to benefit from new knowledge, information, methods and technology adopted and used by Franchisor in the operation of the System, Franchisor may revise the Manuals from time to time; and, Franchisee agrees to comply with all such revisions (at its expense). Franchisee agrees to keep its copy of the Manuals current and up-to-date at all times. In any dispute over the contents of Franchisee's Manual, the terms of the master copy of the Manuals maintained by Franchisor will be controlling. Franchisor may provide any supplements, updates or revisions to the Manuals via the Internet, email, the System-wide intranet/extranet or any other electronic or traditional mediums it determines appropriate.

9.2 Control of Franchised Business. Franchisee acknowledges that any Manual(s) provided by Franchisor to Franchisee are intended to protect Franchisor's standards, systems, names, and marks, and are not intended to control day-to-day operation of Franchisee's Business. Franchisee further acknowledges and agrees that the Franchised Business will be under the control of the Franchisee at all times, and that Franchisee will be responsible for the day-to-day operations.

9.3 Confidential Information.

9.3.1 In connection with the operation of the Franchised Business, Franchisee will become acquainted with, work with and even generate certain information, procedures, techniques, data, and materials that are and, by this Agreement, will become proprietary to Franchisor. Franchisee and all persons signing this Agreement agree to keep Franchisor's trade secrets or proprietary information, as defined below, confidential and not disclose or use such for its or their own purpose; or, supply or divulge same to any person, firm, association, or corporation, except as reasonably necessary to operate the Franchised Business. Franchisee agrees that it will have no proprietary interest in any work product developed or used by it that arises out of the operation of the Franchised Business. Franchisee will, from time to time, as requested by Franchisor, do all things that may be necessary to establish or document Franchisor's ownership of any such work product, including without limitation, the execution of assignments.

9.3.2 The confidentiality requirements set forth above will remain in full force and effect during the Initial Term and in perpetuity after its termination, expiration or non-renewal. Franchisor's trade secrets and proprietary/confidential information (collectively, all information described in this Section 8.3.2 will be referred to as the "**Confidential Information**")includes the following:

(a) The methods, specifications, standards, policies, procedures, pricing structures, concepts, and systems relating to the development, operation, and franchising of the System;

(b) The Manuals;

(c) The substantial collection of knowledge, "know-how" and expertise in providing the Approved Products and Services using the System, which is disclosed to the Franchisee as has been invested in and developed and collected by Franchisor, its licensor or any related party;

(d) Any Client information, including the names, contact information, any relevant Client property information, preferences, existence of the relationship, pricing, and any other information concerning Clients, except for credit card numbers, bank information or other financial data related to the transaction of funds between the Franchisee and Clients ("**Client Information**");

(e) Any financial results, reports or figures related to any and all Businesses;

(f) Any and all information and materials, including all items covered by copyright or any other intellectual property, associated with any proprietary software used in connection with the system;

(g) Any information or materials, whether technical or non-technical, that is used in connection with or otherwise related to the establishment and operation of a Franchised Business or the System that is not commonly known by, or available to, the public, including without limitation, any proprietary software, content of all databases, specifications, plans, designs and other details of the Approved Products and Services;

(h) Marketing and promotional programs designed by us or our approved supplier(s);

(i) Relationships and group supply arrangements with Approved Suppliers of any Approved Products;

(j) Training materials used in the operation of or related to the System or the Franchised Business; and

(k) Any other information that may be imparted to Franchisee from time to time and designated by Franchisor as confidential.

9.4 **Ownership of Confidential Information**. Franchisee acknowledges and agrees that the Confidential Information, which includes the Client Information, and any business goodwill of the Franchise are Franchisor's sole and exclusive property. Upon the termination, expiration or non-renewal of this Agreement, all items, records, documentation, and recordings incorporating any Confidential Information will be immediately turned over by Franchisee (and permanently deleted from any device or cloud file storage account owned or controlled by Franchisee), at Franchisee's sole expense, to Franchisor or to Franchisor's authorized representative.

9.5 **Information Not Confidential**. Excepted from Confidential Information for purposes of non-disclosure to any third parties by Franchisee and/or its Restricted Persons (as defined in Section 8.7) is information that:

9.5.1 Becomes publicly known through no wrongful act of Franchisee or Restricted Persons; or

9.5.2 Is known by Franchisee or Restricted Persons without any confidential restriction at the time of the receipt of such information from Franchisor or becomes rightfully known to them without confidential restriction from a source other than Franchisor.

9.6 Maintaining Confidentiality. Franchisee must at all times treat the Confidential Information as confidential and must use all reasonable efforts to keep such information secret and confidential, including without limitation, all logins/passwords/keys necessary to access any component of the Computer System or related software used in connection with the Franchised Business. The Manuals must remain at the Approved Location and be kept in a secure location, under lock and key, except when being studied by Franchisee or Franchisee's employees. Franchisee will not, at any time without Franchisor's prior written consent, copy, scan, duplicate, record, distribute, disseminate, or otherwise make the Manuals available to any unauthorized person or entity, in whole or in part.

9.7 Prevention of Unauthorized Use or Disclosure. Franchisee will adopt and implement all reasonable procedures, as Franchisor may prescribe from time to time, to prevent the unauthorized use or disclosure of any of the Confidential Information. Franchisee must ensure and require that all of its officers, agents, directors, shareholders, trustees, beneficiaries, partners, employees, and independent contractors who may obtain or who are likely to obtain knowledge concerning the Confidential Information (collectively, "**Restricted Persons**") execute Franchisor's form of confidentiality agreement that Franchisor determines to provide as part of the Manuals or otherwise and subject to review and modification by Franchisee's counsel to ensure enforceability under the applicable laws where Franchisee and the Franchised Business are located prescribed (the "**Confidentiality Agreement**"). Franchisee must obtain a signed copy of the Confidentiality Agreement from any such person prior to, or at the same time of, that person undertaking its role and/or employment or association with Franchisee or the Franchised Business. Franchisee's spouse or significant other must also be bound by the same requirement and will sign the same Confidentiality Agreement. Franchisee must provide Franchisor with a copy of each signed Confidentiality Agreement within ten (10) days of Franchisor's request.

10. ADVERTISING

10.1 Advertising and Sales Promotion Programs. Franchisor may from time to time develop and create advertising and sales promotion programs designed to promote and enhance the Franchised Businesses operating under the System. Franchisee must participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by Franchisor for each program. In all aspects of these programs, including without limitation, the type, quantity, timing, placement and choice of media, and market areas and advertising agencies, the System standards and specifications established by Franchisor will be final and binding upon Franchisee. Franchisor may also request that Franchisee purchase and/or make copies of (and Franchisee's expense) and subsequently use certain other advertising or promotional materials that Franchisor designates for use in connection with the Franchised Business.

10.2 Approval for all Advertising/Promotional Materials. All advertising and promotion by Franchisee in any medium must be conducted in a professional manner and must conform to Franchisor's standards and requirements, as set forth in the Manuals or otherwise. Franchisee must obtain Franchisor's approval of all advertising and promotional plans and materials at least twenty (20) days prior to use if such plans and materials have not been specified in the Manuals, prepared by Franchisor or previously approved by Franchisor during the twelve

(12) months prior to their proposed use. Franchisee must submit unapproved plans and materials to Franchisor, and Franchisor will have fifteen (15) days to notify Franchisee of its approval or disapproval of such materials. If Franchisor does not provide its specific approval of the proposed materials within this fifteen (15) day period, the proposed materials will be considered to be rejected. Any plans and materials that Franchisee submits to Franchisor for its review will become Franchisor's property and there will be no restriction on Franchisor's use or dissemination of such materials. Once approved, Franchisee may use the proposed materials for a period of ninety (90) days, unless Franchisor prescribes a different time period for use or requires Franchisee to discontinue using the previously approved materials in writing. Franchisor may revoke its approval of any previously approved advertising materials upon notice to Franchisee. Franchisor reserves the right to require Franchisee to include certain language on all advertising to be used locally by Franchisee or to be used by a Cooperative, including, but not limited to, the phrase "Franchises Available" and references to Franchisor's telephone number and/or website.

10.3 Franchisee Marketing Requirement; Permitted Collaborative Marketing Efforts. Franchisee must comply with the following requirements in regard to local advertising:

10.3.1 Following the execution of this Agreement and continuing throughout the Initial Term, Franchisee must invest timely in local marketing to generate sufficient leads to achieve the Minimum Productivity Levels. During the first month following the execution of this Agreement and continuing throughout the Initial Term, Franchisee must expend the greater of: (i) two (2%) of the Gross Sales generated by the Franchised Business during each six (6) month period of the Initial Term; or, (ii) a minimum expenditure in the amount of $12,000 during each six (6) month period of the Initial Term (the "**Franchisee Marketing Requirement**") on local advertising and promotion of the Franchised Business.

10.3.2 Unless otherwise approved by Franchisor, Franchisee must expend the Franchisee Marketing Requirement to carry out advertising and promotions of the Franchised Business, as Franchisor reserves the right to designate, approve and/or update from time to time, which may include (but is not necessarily limited to): (i) listing or advertising the Franchised Business in major regional and local business and industry directories and publications (hard copy or online); (ii) participating in Google Adwords and/or similar targeted internet advertising or "click through" campaigns; (iii) joining or participating in referral and consumer recommendation and feedback sites and directories such as Google Local, Angie's List, www.citypages.com, as Franchisor may specify (and change) from time to time; (iv) advertising regularly in local or regional newspapers; (v) exhibiting in Home and Renovation Shows and Expos; (vi) participating in local or regional radio or television campaigns; and, (vii) engaging in Collaborative Marketing Efforts with other Business owners authorized to operate within the Permitted Territory and/or surround areas as described in this Agreement. Upon termination, Transfer, or expiration of this Agreement, Franchisee agrees to take any and all steps necessary to assist Franchisor to remove or assign control of all listings, content and history under this Section to Franchisor.

10.3.3 Franchisor reserves the right, but not the obligation, to establish, approve or otherwise authorize or help facilitate regional marketing Cooperatives that are comprised of multiple Business owners located within a geographical region that Franchisor designates to engage in prescribed or approved Collaborative Marketing Efforts (each, a "**Cooperative**"). If Franchisor establishes a Cooperative and designates Franchisee as a member thereof, Franchisor has the right to require that Franchisee

contribute to the Cooperative in a weekly or monthly specified amount. All amounts paid to a Cooperative will be credited towards Franchisee's Franchisee Marketing Requirement. Franchisor has the right to specify the governing rules, terms and operating procedures of any Cooperative.

10.3.4 If any shared or joint listings or advertising are undertaken by the Franchisee along with other Businesses, each will pay a pro rata share of the cost of all advertisements and listings, or such other amount that the Franchisee and the owners of the other Businesses agree.

10.3.5 Prior to opening the Franchise Business, Franchisor has the right to require that Franchisee prepare an initial comprehensive local advertising plan and program that details Franchisee's budget and anticipated expenditures for the Franchisee Marketing Requirement for the first year of operations of the Franchised Business, which must be approved by Franchisor prior to opening. Franchisor also has the right to require that Franchisee submit an annual Franchisee Marketing Requirement plan or program for each subsequent year of the Franchised Business's operation on or before the beginning of each fiscal year of the Franchised Business that must be approved by Franchisor prior to implementation.

10.3.6 From time to time, Franchisor may provide Franchisee with advertising and promotional plans and materials as Franchisor determines is advisable. Franchisor has the right to provide general guidelines for conducting local advertising to better assist Franchisee. The use and implementation of such advertising and promotional plans and materials will be at Franchisee's expense. Franchisor may require Franchisee to furnish to Franchisor with an accurate accounting of its Franchisee Marketing Requirement expenditures (to the extent such information is not already in the System Software Platform) within thirty (30) days after the end of each month.

10.3.7 Franchisee must maintain an (800) number for use in connection with the Call Center. Franchisee will be required to assign, at its own cost, such telephone number to Franchisor or its designee at Franchisor's option, upon termination, expiration, or Transfer of this Agreement.

10.3.8 Franchisee must comply with all marketing and Client solicitation requirements and/or directives set forth in this Agreement, the Manuals and any other writing Franchisor provides to Franchisee.

10.4 National Brand Marketing Fund. Franchisor has established the National Brand Marketing Fund, which is designed to promote the System, Proprietary Marks and brand generally. Franchisee is required to make Fund Contributions on a monthly basis, at the times and in the amounts set forth in Section 4.1. All Fund Contributions are non-refundable upon payment, and Franchisor will account separately for all sums paid to the Fund. If and when established, the Fund will be maintained and administered by Franchisor or Franchisor's designee as follows:

10.4.1 Franchisor will use Fund contributions, and any earnings on it, exclusively for preparing, directing, conducting, placing, and administering advertising, marketing, public relations, and/or promotional programs and materials, any other activities that Franchisor believes would enhance the image, goodwill or development of the System, Proprietary Marks, and Approved Products or Services.

10.4.2 Franchisor is not obligated to spend monies from the Fund in any particular Franchisee's market in proportion to the payments to the Fund made by the Franchisee in that market. Franchisor does not represent that it will spend any particular amount of advertising funds locally, regionally, or nationally.

10.4.3 The Fund may be used to meet any and all costs of maintaining, administering, directing, and preparing advertising. This includes, among other things, direct mail advertising, marketing surveys and other public relations activities, developing and maintaining the Franchisor's Website, employing advertising and public relations agencies, purchasing promotional items, and providing other marketing materials and services to the Businesses operating under the System. These costs may include the proportionate salary share of Franchisor's employees that devote time and render services for advertising and promotion or the administration of the Fund, including administrative costs, salaries, and overhead expenses related to administering the Fund and its programs. No part of the Fund may be used by Franchisor to defray any of its general operating expenses, other than those reasonably allocable to the advertising described in this Section or other activities reasonably related to the administration or direction of the Fund.

10.4.4 Franchisor will segregate all contributions to the Fund on its books and records. All such contributions to the Fund may be deposited in Franchisor's general operating account, may be commingled with Franchisor's general operating funds, and may be considered to be an asset of Franchisor, subject to Franchisor's obligation to expend the monies in the Fund in accordance with the terms of this Agreement. Franchisor has the right to elect to accumulate monies in the Fund for such periods of time, as it determines is necessary or appropriate, with no obligation to expend all monies received in any fiscal year during that fiscal year. If Franchisor's expenditures for the Fund in any one (1) fiscal year will exceed the total amount contributed to the Fund during such fiscal year, Franchisor will have the right to be reimbursed to the extent of such excess contributions from any amounts subsequently contributed to the Fund or to use such excess as a credit against its future contributions. The parties do not intend that the Fund be considered to be a trust.

10.4.5 Franchisor will, on an annual basis, account for the operation of the Fund and prepare an unaudited financial statement evidencing such accounting that will be available to Franchisee, upon Franchisee's written request, one hundred twenty (120) days after the Franchisor's fiscal year end.

10.4.6 Franchisor may dissolve, suspend, modify and/or reinstate the Fund at any time after it is established.

10.5 **Advertising Council**. Franchisor has the right to establish, if and when it determines is appropriate, a council to provide advice and guidance regarding the administration of the Fund and various other advertising/marketing matters (an "**Advertising Council**"). If Franchisor establishes an Advertising Counsel, it will serve in only an advisory capacity and will consist of franchisees, personnel from Franchisor's affiliate-owned Businesses and other management/employees that Franchisor designates. If an Advertising Council is established, the membership of such Advertising Council, along with the policies and procedures by which it operates, will be determined by Franchisor. The recommendations of the Advertising Council will not be binding on Franchisor.

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10.6 Website. Franchisee may not establish any separate website or other Internet presence in connection with the Franchised Business, System, or Proprietary Marks without Franchisor's prior written consent. If approved by Franchisor to establish a separate website, Franchisee must comply with Franchisor's policies, standards, and specifications with respect to the creation, maintenance, and content of any such website. Franchisee specifically acknowledges and agrees that any website owned or maintained by or for the benefit of Franchisee will be "advertising" under this Agreement and will be subject to (among other things) Franchisor's approval as described in this Section 9. Franchisee may not promote or otherwise list its Franchised Business, or the Proprietary Marks or System, on any social media or networking site, including without limitation, Facebook, LinkedIn, Instagram, Pinterest, Twitter or YouTube, without Franchisor's prior written consent. Franchisor has the right to modify the provisions of this Section relating to Franchisee's use of separate websites and social media, as Franchisor determines necessary or appropriate as part of its Manuals or other social media policies Franchisor determines to reduce to writing. Franchisee acknowledges that Franchisor and/or Franchisor's affiliates are the lawful, rightful and sole owner of the Internet domain names registered by Franchisor and/or its designee in the future, and Franchisee unconditionally disclaims any ownership interest in such domain names and covenants that it will not register or attempt to register or traffic or otherwise utilize any domain name identified by a URL that contains the term "Refresh" or arguably similar term thereto.

11. ACCOUNTING AND RECORDS

11.1 Maintenance of Records. Franchisee must, in a manner satisfactory to Franchisor and in accordance with generally accepted accounting principles, maintain original, full, and complete computer files, back-up files, other records, accounts, books, data, licenses, customer invoices, contracts, and product vendor invoices that accurately reflect all particulars relating to the Franchised Business, as well as other statistical and financial information and records Franchisor may require. All of this information must be kept for the Initial Term, any Renewal Term and for a period of at least three (3) years thereafter. Upon Franchisor's request, Franchisee must furnish Franchisor with copies of any or all product or equipment supply invoices reflecting purchases by or on behalf of the Franchised Business. In addition, Franchisee will compile and provide to Franchisor any statistical or financial information regarding the operation of the Franchised Business, the products and services sold by it, or data of a similar nature, including without limitation, any financial data that Franchisor believes that it needs to compile or disclose in connection with the sale of franchises or that Franchisor may elect to disclose in connection with the sale of franchises. All data provided to the Franchisor under this Section 10 will belong to Franchisor and may be used and published by Franchisor in connection with the System (including in Franchisor's disclosure documents).

11.2 Examination and Audit of Records. Franchisor and its designated agents will have access to and the right to examine and audit Franchisee's records, accounts, accounting software, books, computer files and data, including any proprietary software used in connection with the System, at any time to ensure that Franchisee is complying with the terms of this Agreement. If such audit discloses that Franchisee has underreported the Gross Sales of the Franchised Business (or any amount due to Franchisor) by two percent (2%) or more of year to date sales, then Franchisee must: (i) reimburse Franchisor any costs/expenses incurred in connection with conducting the inspection and audit; and, (ii) immediately pay any amount due and owing Franchisor as a result of Franchisee's underreporting, along with any accrued interest on said amounts.

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11.3 Computer System for Records. Franchisee must record all transactions of the Franchised Business on the Franchisor's then-current System Software Platform and other components of the Computer System, as described in this Agreement and/or Manuals or other written directives. Franchisor will, at all times and without notice to Franchisee, have the right to access and view the System Software Platform, other Required Software and Franchisee's Computer System generally as described in Section 4 independently and remotely. All computer and file passwords associated with the Computer System must be supplied as a list to Franchisor by Franchisee, along with any modifications or changes to that list. The passwords to access the Computer System used by the Franchised Business, as well as all computer files and records related to the Franchised Business, are the exclusive property of Franchisor and Franchisee must provide Franchisor with these files and information upon the termination or expiration of this Agreement.

11.4 Tax Returns. Franchisor has the right to require that Franchisee furnish the Franchisor with a copy of each of its reports, returns of sales, use and gross receipt taxes, and complete copies of any state or federal income tax returns covering the operation of the Franchised Business, all of which Franchisee must certify as true and correct, within ten (10) days after such request.

11.5 Change to Ownership or Management of Franchisee (if Franchisee is an Entity). Franchisee must provide Franchisor with written reports regarding any authorized change to: (i) all owners and other holders of any type of interest (legal or beneficial) in Franchisee or the Franchised Business; and, (ii) Franchisee's partners, officers, directors, managers, members, as well as any of the Designated Manager(s) that manage the day-to-day operations of the Franchised Business. Franchisee will notify Franchisor in writing within ten (10) days after any such change, unless Franchisor is required to first notify Franchisor and obtain its approval prior to making any such change.

12. INSURANCE

12.1 Required Insurance. Franchisee must, at its own expense and no later than the earlier of the date on which Franchisee uses any of the Proprietary Marks, the date Franchisee begins building out the Approved Location or (c) the date the Franchisee commences operation of the Franchised Business, procure and maintain in full force and effect throughout the term of this Agreement the types of insurance enumerated in the Manuals or otherwise in writing. This insurance will be in such amounts Franchisor or the lessor of the Approved Location designates from time to time. In addition to any other insurance that may be required by applicable law, or by lender or lessor, Franchisee must procure the specific coverages in the specific amounts set forth in the Manual(s) or otherwise by Franchisor in writing. If no amounts are specific in the Manuals or such a writing, Franchisee must acquire and maintain the following:

12.1.1 Commercial general liability insurance with minimum limits of Two Million Dollars ($2,000,000) for personal injury, completed operations, contractual liability, and products liability (including an amount of not less than Two Million Dollars ($2,000,000) per occurrence for bodily injury and not less than Two Million Dollars ($2,000,000) per occurrence for property damage) and naming Franchisor as an additional insured in each such policy or policies;

12.1.2 Fire, vandalism, and extended coverage insurance with primary and excess limits of not less than the full replacement value of the Approved Location of the Franchised Business and its furniture, fixtures, and equipment;

12.1.3 Auto insurance for all vehicles used in connection with operating the Franchised Business, including Franchisee-owned vehicles, and non-Franchisee-owned vehicles, which will include liability coverage in the minimum amount of One Million Dollars ($1,000,000) per year, as well as commercial auto insurance for Franchisee-owned vehicles, which will include collision and comprehensive coverage as well as liability coverage in the minimum amount of $250,000 per person and $500,000 per accident per year, or the minimum required by state regulations, whichever is greater;

12.1.4 Employer's liability, workers' compensation, and such other insurance as may be required by statute or rule of the state or locality in which the Franchised Business is located and operated;

12.1.5 Business interruption insurance in the amounts and with terms acceptable to Franchisor;

12.1.6 Key Man Insurance for the Designated Manager, if applicable, which requires the insurer, on death or incapacity of the insured, to pay the Franchisee an amount at least equal to the sum of the Royalty Fees payable to Franchisor hereunder for a period of at least six (6) months;

12.1.7 Directors' and officers' insurance providing $500,000 of coverage and professional errors & omissions coverage in the amount of $1,000,000;

12.1.8 Cyber liability insurance providing at least $1,000,000; and

12.1.9 Such insurance as necessary to provide coverage under the indemnity provisions set forth in this Agreement.

Franchisee must buy insurance only from carriers rated A- or better by A.M. Best and Company, Inc. (or similar criteria as Franchisor periodically specifies), unless Franchisor designates specific carriers from which Franchisee must purchase coverage (in which case Franchisee may only purchase from the designated carrier(s)). Franchisor may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, changing economic conditions, or other relevant changes in circumstances. All insurance policies Franchisee purchases must name Franchisor and any affiliate Franchisor designate as additional insureds, and provide for thirty (30) days' prior written notice to Franchisor of a policy's material modification or cancellation. The cost of Franchisee's premiums will depend on the insurance carrier's charges, terms of payment, and Franchisee's insurance and payment histories. Franchisee will make timely delivery of certificates of all required insurance to Franchisor, each of which must contain a statement by the insurer that the policy will not be cancelled or materially altered without at least thirty (30) days' prior written notice to Franchisor. The procurement and maintenance of such insurance will not relieve Franchisee of any liability to Franchisor under any indemnity requirement of this Agreement.

12.2 Failure to Procure and Maintain Insurance. If Franchisee fails for any reason to procure and maintain the required insurance coverage, Franchisor has the right and authority (without having any obligation to do so) to immediately procure such insurance coverage, in which case Franchisee must: (i) reimburse Franchisor for the costs incurred to obtain the required

insurance (including any premium amounts paid); and (ii) pay Franchisor its then-current administrative fee, as may be reasonably charged by Franchisor as consideration for securing the required insurance on Franchisee's behalf.

13. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

13.1 No Fiduciary Relationship. In all dealings with third parties, including without limitation, employees, suppliers and customers, nothing in this Agreement is intended by the parties to create a fiduciary relationship between them or to appoint the Franchisee an agent, legal representative, subsidiary, joint venture, partner, employee or servant of Franchisor for any purpose whatsoever.

13.2 Independent Contractor Relationship. It is understood and agreed that Franchisee is an independent contractor and is not authorized to make any contract, agreement, warranty or representation or to create any obligation on behalf of Franchisor. Franchisee must display a sign in its Franchised Business displaying the following phrase (or something similar): "This Franchised Business is independently owned and operated by [NAME OF FRANCHISEE] pursuant to a franchise agreement."

13.3 Indemnification. Franchisee, as a material part of the consideration to be rendered to Franchisor, agrees to indemnify, defend and hold Franchisor, and Franchisor's directors, officers, principals/owners, members, managers, shareholders, affiliates, subsidiaries, parents, employees, servants, agents, successors and assignees (collectively, the "**Indemnitees**"), harmless from and against any and all losses, damage, claims, demands, liabilities and causes of actions of every kind or character and nature, and all costs and expenses incident thereto (including reasonable attorneys' fees and court costs), that are brought against any of the Indemnitees (collectively, the "**Claims**") that arise out of or are otherwise related to Franchisee's breach or attempted breach of, or misrepresentation under, this Agreement; or, ownership, construction, development, management, or operation of the Franchised Business in any manner, including any failure to use a Qualified Contractor as required and/or necessary to provide certain Client services or Project-Related Materials and Items. Notwithstanding the foregoing, at Franchisor's option, Franchisor may choose to engage its own counsel to defend any such Claim and may require immediate reimbursement from the Franchisee of all expenses and fees incurred in connection with such defense. This indemnity will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. Franchisee will be solely responsible for how it uses the Approved Products to perform the Approved Services.

14. TRANSFER AND ASSIGNMENT

14.1 No Transfer by Franchisee without Franchisor's Approval. Franchisee's rights under this Agreement are personal, and Franchisee will not sell, transfer, assign or encumber Franchisee's interest in this Agreement or the Franchised Business (or undertake any of the actions identified in Section 13.3) (a "**Transfer**") without Franchisor's prior written consent which may be subject to requirements or conditions, as set out in this Agreement. Any Transfer made without Franchisor's prior written consent will be voidable at Franchisor's option and will subject this Agreement to termination, as specified herein.

14.2 Death or Disability.

14.2.1 In the event of the death, disability or incapacitation of Franchisee, if Franchisee is an individual; or, the death, disability or incapacitation of the Designated Manager or a principal, owner or guarantor who holds a legal or beneficial interest of fifty percent (50%) or more in Franchisee, Franchisee's legal representative or Franchisee's other principals, owners or guarantors, if any, will have the right to apply to Franchisor to continue the operation of the Franchised Business as "Franchisee" under this Agreement if:

(a) Within ninety (90) days from the date of death, disability or incapacity (the "**90 Day Period**"), such person has obtained Franchisor's written approval that the conditions for Transfer, as set forth in Section 13.5, have been satisfied and has executed Franchisor's then-current franchise agreement; or, if permitted by Franchisor, a personal guaranty of this Franchise Agreement, in the form of Exhibit B attached to this Agreement; and,

(b) Such person completes Franchisor's Initial Training Program (which Franchisor will provide at Franchisor's then-current tuition rate) to Franchisor's satisfaction. Such assignment by operation of law will not be considered to be a violation of this Agreement, provided such heirs or legatees accept the conditions imposed by this Agreement and are acceptable to Franchisor.

14.2.2 During the 90 Day Period, Franchisor is under no obligation to operate the Franchised Business or incur any obligation on behalf of any incapacitated franchisee. If necessary, Franchisee (or Franchisee's legal representative, as applicable) must appoint a previously approved acting interim manager to operate the Franchised Business during the 90 Day Period. In the event of Franchisee's death, disability, absence or otherwise, Franchisor may (but is not required to) operate the Franchised Business on Franchisee's behalf and at Franchisee's expense for such period of time (and under such terms and conditions) as Franchisor determines, including paying out the assets and/or revenues of the Franchised Business to cover any or all past, current and/or future obligations of the Franchised Business (including any amounts owed to Franchisor and/or any affiliate) in such priorities as Franchisor determines in Franchisor's sole discretion. Franchisor may pay itself a reasonable amount to reimburse Franchisor for Franchisor's management services and other costs. Franchisor may obtain approval of a court or arbitrator for any such arrangements, the attorney's fees and other costs incurred in connection with obtaining such approval to be charged against the assets and/or revenues of the Franchised Business. Franchisee (and/or Franchisee's estate) will indemnify Franchisor against any costs and/or liabilities incurred by it in connection with, or related in any way to, the operation (or otherwise) of the Franchised Business.

14.2.3 Franchisor will not collect any Transfer fee if there is a Transfer under this Section 13.2 to an immediate family member of the Franchisee who Franchisor approves pursuant to Section 13.5.

14.3 Ownership. In addition to those acts described in Section 13.1, a Transfer requiring Franchisor's prior written consent will occur: (i) if Franchisee is a corporation, upon any Transfer of any fractional portion of Franchisee's ownership shares/stock or any increase in the number of outstanding shares/stock of Franchisee's ownership/membership units that results in

a change of ownership; (ii) if Franchisee is a partnership, upon Transfer of any partnership interest or the admission of a new partner; or, (iii) if Franchisee is a limited liability company, upon the Transfer of any membership interest in the limited liability company or admission of a new member. Any new partner, shareholder or member or manager owning having an ownership interest in the Franchisee after the proposed Transfer will be required to personally guarantee Franchisee's obligations under this Agreement by executing a Personal Guaranty in the form attached to this Agreement as Exhibit B. A Transfer subject to this Section will not be subject to Franchisor's right of first refusal, as set forth in Section 13.4, unless it results in a change of effective control of the Franchisee or removal of all persons who have completed Initial Training Program from the Franchisee.

14.4 Right of First Refusal. If Franchisee proposes to Transfer any of its interest in this Agreement or the Franchised Business or any interest in its lease for the Approved Location; or, if Franchisee is an entity (other than an entity excluded from this Section by Section 13.3 or in the event of Franchisee's death, disability or incapacitation, as set forth in Section 13.2), Franchisee's owners propose to Transfer any interest in Franchisee; then, Franchisee must first offer to sell such interest to Franchisor on the same terms and conditions as offered by such third party. Franchisee will obtain from the third party a statement in writing, signed by the third party and Franchisee, of the terms of the offer ("**Letter of Intent**") and provide the Letter of Intent to Franchisor within five (5) days of execution by Franchisee and the third party. Franchisor will have a thirty (30) day period to decide if it will elect to accept or reject the terms offered in the Letter of Intent and send Franchisee written notice of its decision; however, if Franchisor does not send a written notice within said thirty (30) day period, Franchisor will be considered to have rejected the terms of the Letter of Intent. If Franchisor elects not to accept the offer, Franchisee must complete the Transfer described in the Letter of Intent, subject to satisfaction of the conditions for approval set forth in Section 13.5, within sixty (60) days after the date Franchisor rejects or is deemed to reject the terms of the Letter of Intent . Franchisee will effect no other Transfer, as contemplated under the Letter of Intent, without first complying with this Section. Any material change in the terms of the Letter of Intent will be deemed a new Letter of Intent subject to Franchisor's right of first refusal. So long as Franchisee has obtained Franchisor's prior written consent, which will not be unreasonably withheld, a Transfer to an existing owner, partner, member or shareholder, or a Transfer as a result of the death, disability or incapacitation of a shareholder or partner, in accordance with the provisions set forth below, is not subject to Franchisor's first right of refusal.

14.5 Conditions for Approval. Franchisor has the right to condition Franchisor's approval of any proposed Transfer of the Franchised Business, Franchisee's interest in this Agreement or any other acts of Transfer described in Section 13.3 upon satisfaction of the following conditions:

14.5.1 All of Franchisee's accrued monetary obligations to Franchisor, Franchisor's affiliates, and Franchisor's designated/approved suppliers and vendors, are satisfied;

14.5.2 Franchisee must, on written demand (unless subject to a current Notice of Default), cure all existing defaults under this Agreement or any other agreement between Franchisee and Franchisor, Franchisor's affiliates, Franchisor's designated/approved suppliers and vendors, within the period permitted for cure and have substantially complied with such agreements during their respective terms;

14.5.3 Franchisee and Franchisee's principals (if Franchisee is a partnership, corporation or limited liability company), and the transferee (if it has had any previous

relationship with Franchisor or Franchisor's affiliates), must execute a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and Franchisor's affiliates and officers, directors, shareholders and employees, in their corporate and individual capacities;

14.5.4 Franchisee or transferee must provide Franchisor with a copy of the executed purchase agreement relating to the proposed Transfer and all supporting documents and schedules, including transferee's assumption of, and agreement to, perform all of Franchisee's obligations under this Agreement;

14.5.5 The transferee must demonstrate to Franchisor's satisfaction that he or she meets Franchisor's then-current educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to conduct the business to be transferred; and has adequate financial resources and capital to meet the performance obligations under this Agreement; however, transferee must not be in the same business as Franchisor either as licensor, franchisor, independent operator or licensee of any other business or chain which is similar in nature or in competition with Franchisor (unless approved by Franchisor in writing), except that the transferee may be an existing franchisee of Franchisor;

14.5.6 The transferee must execute Franchisor's then-current franchise agreement (which may contain materially different terms than this Agreement) for the remaining balance of Franchisee's term under this Agreement, with transferee's term commencing on the date the ownership of the Franchised Business or Franchisee entity Transfers to the transferee;

14.5.7 Franchisee or transferee must pay Franchisor a Transfer fee in the amount of $15,000, except if Franchisee Transfers to a business entity owned by Franchisee.

14.5.8 Franchisor will require transferee (and, if applicable, its Designated Manager) to attend the Initial Training Program at Franchisor's training facility (Transferee must cover the costs and expenses it and its personnel incurs in connection with attending);

14.5.9 Franchisee (and Franchisee's principals/guarantors if Franchisee is an entity) must comply with the post-termination provisions of this Agreement;

14.5.10 The transferee must demonstrate that is has obtained or maintained, within the time limits set by Franchisor, all permits and licenses required for the continued operation of the Franchised Business;

14.5.11 To the extent required by the terms of any leases or other agreements, the lessors or other parties must have consented to the proposed Transfer; and

14.5.12 The Transfer must be made in compliance with any laws that apply to the Transfer, including state and federal laws governing the offer and sale of franchises.

Franchisor will not unreasonably withhold its consent to a proposed Transfer requested by Franchisee that satisfies all of the foregoing conditions. Franchisor's approval of a Transfer will not operate as a release of any liability of the transferring party, nor will such

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approval constitute a waiver of any claims Franchisor may have against the transferring party. Furthermore, Franchisor agrees that Franchisee will not be required to pay any Transfer fee if: (i) Franchisee Transfers its rights under this Agreement to a newly-established legal business entity that meets the requirements of Section 13.6; or, (ii) Franchisee is required to encumber certain assets of the Franchised Business (or subordinate Franchisor's security interest thereto) to receive SBA or other traditional bank financing, provided Franchisor otherwise approves of the encumbrance.

14.6 Transfer from an Individual Franchisee to Business Entity. If Franchisee is an individual and desires to assign its rights under this Agreement to an entity, Franchisor will consent to the Transfer without assessing the Transfer fee or training tuition fees set forth in Sections 13.5.7 and 13.5.8, and such assignment will not be subject to Franchisor's right of first refusal in Section 13.4, if all of the following conditions are met: (i) the entity is newly organized and its activities are confined to operating the Franchised Business; (ii) the entity is wholly owned by Franchisee (and no other party); (iii) the entity agrees in writing to assume all of Franchisee's obligations hereunder; and, (iv) all stockholders of the corporation, members and managers of the limited liability company, partners of the partnership or owners and principals of any other entity, as applicable, personally guarantee the prompt payment and performance by the corporation, limited liability company, partnership or entity of all obligations to Franchisor and Franchisor's affiliates, under this Agreement and any other agreement between Franchisee and Franchisor and/or Franchisor's affiliates by executing the Personal Guaranty attached to this Agreement as Exhibit B.

14.7 Franchisor's Right to Transfer. Franchisor has the absolute and unencumbered right to Transfer all or any part of Franchisor's assets and Franchisor's interest in, and rights and obligations under, this Agreement without any obligation to notify Franchisee or obtain Franchisee's approval.

15. COVENANTS

Franchisee acknowledges that, as a participant in Franchisor's System, Franchisee will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures and techniques that Franchisor has developed. As such, to protect Franchisor, the System, Proprietary Marks, and Franchisor's other franchisees, Franchisee agrees to the covenants in this Section.

15.1 During the Initial Term or Renewal Term of this Agreement. During the Initial Term and any Renewal Term, neither Franchisee, its principals, owners, guarantors, or Designated Manager(s), nor any immediate family of Franchisee, its principals, owners, guarantors or Designated Manager(s), may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person or entity:

15.1.1 Own, maintain, engage in, be employed or serve as an officer, director, or principal of, lend money or extend credit to, lease or sublease space to, or have any interest in or involvement with: (i) any other business that offers, sells or provides any type of renovation-related products or services that offers or provides and Project-Related Materials and Products and/or Approved Services described herein, or works with any Qualified Contractors to otherwise directly compete with a Business in the provision of renovation-related services (a "**Competing Business**"); or, (ii) any business that offers or grants licenses or franchises, or establishes joint ventures, for the ownership or operation of a Competing Business. For purposes of this Agreement, a Competing Business does

not include: (i) any business operated by Franchisee under a franchise agreement with Franchisor; or, (ii) any business operated by a publicly-traded entity in which Franchisee owns less than two percent (2%) of the legal or beneficial interests;

15.1.2 Solicit or communicate with any of Franchisor's Approved Suppliers or any Client listed in the System Software Platform for any purpose other than conducting the authorized business of the Franchised Business hereunder; or

15.1.3 Divert, or attempt to divert, any prospective customer to a Competing Business in any manner.

15.2 <u>After the Initial Term or Renewal Term of this Agreement.</u>

15.2.1 For a period of two (2) years after the Transfer, termination, expiration or non-renewal of this Agreement, regardless of the cause, neither Franchisee, its principals, owners and guarantors, nor any member of the immediate family of Franchisee, its principals, owners or guarantors, may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person or entity, be involved with any business that competes in whole or in part with Franchisor by offering or granting licenses or franchises, or establishing joint ventures, for the ownership or operation of a Competing Business. The geographic scope of the covenant contained in this Section is any location where Franchisor can demonstrate it has offered or sold franchises as of the date this Agreement is Transferred, terminated, expires, or is not renewed.

15.2.2 For a period of two (2) years after the Transfer, termination, expiration or non-renewal of this Agreement, regardless of the cause, neither Franchisee, its principals, owners and guarantors, nor any member of the immediate family of Franchisee, its principals, owners or guarantors, may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

(a) Own, maintain, engage in, be employed as an officer, director, or principal of, lend money to, extend credit to, lease or sublease space to, or have any interest in or involvement with any other Competing Business that is located:

(i) within the Permitted Territory;

(ii) within a thirty (30) mile radius of the Permitted Territory; or

(iii) within a 30-mile radius of any other Permitted Territory that has been granted by us or our affiliates in connection with any franchised business as of the date this Agreement is Transferred, terminated, expires, or is not renewed;

(b) Solicit or communicate with any Approved Supplier for any competitive purpose; or

(c) Solicit business from Clients of Franchisee's former Franchised Business for any competitive purpose.

15.2.3 Nothing in this Section precludes or otherwise affects Franchisee or any other person mentioned herein from seeking and securing employment with national

chain such as HOME DEPOT, LOWES or other national retailer that happens to sell one (1) or more of the Approved Products on the grounds that employment with such a national retailer does not, in and of itself, constitute involvement with a "Competing Business," provided the Franchisee or other person at issue strictly complies with all confidentiality, non-solicitation and other covenants set forth in this Agreement in connection with such employment.

15.3 Intent and Enforcement. It is the parties' intent that the provisions of this Section 14 will be enforced to the fullest extent permissible under applicable law. Accordingly, the parties agree that a court is authorized to reduce the geographic scope or duration or modify any part of the noncompetition provisions to make such provisions enforceable law to the maximum extent possible under applicable; and, any such reduction or modification will not render any other part unenforceable. In the event of the actual or threatened breach of this Section 14 by Franchisee, any of Franchisee's principals, owners or guarantors, or any member of the immediate family of Franchisee or Franchisee's principals, owners or guarantors, Franchisor will be entitled to an injunction restraining such person from any such actual or threatened breach. Franchisee acknowledges that these covenants are necessary to protect the goodwill of the Franchised Business, other System Franchisees and the System. Franchisee further acknowledges that the covenants contained in this Section 14 are necessary to protect Franchisor's procedures and know-how transmitted during the Initial Term and any Renewal Term. Franchisee agrees that upon the actual or threatened breach of this Section 14, Franchisor's harm will be irreparable, and that Franchisor has no adequate remedy at law to prevent such harm. Franchisee acknowledges and agrees on Franchisee's own behalf and on behalf of the persons who are liable under this Section 14 that each has previously worked or been gainfully employed in other careers and that the provisions of this Section 14 do not prevent any such person from earning a living. Franchisee further acknowledges and agrees that the time limitation on the restrictive covenants set forth in Section 14.2 will be tolled during any default under this Section 14.

15.4 Confidentiality and Non-Competition Agreement. Franchisee must ensure that all management personnel of the Franchised Business, as well as any officers, directors and other employees of Franchisee who have access to Confidential Information, execute Franchisor's then-current form of Confidentiality and Non-Competition Agreement, substantially in the form of Exhibit F attached to this Agreement, prior to disclosure to such persons of any Confidential Information. Franchisee must furnish Franchisor a copy of each executed agreement. Franchisor has the right to modify such agreement as it determines is necessary or appropriate.

15.5 No Defense. Franchisee hereby agrees that any claim Franchisee may have against Franchisor, whether or not arising from this Agreement, will not constitute a defense to Franchisor's enforcement of the covenants contained in this Section 14. Franchisee agrees to pay all costs and expenses (including reasonable attorneys' fees and expenses) that Franchisor incurs in connection with the enforcement of this Section 14.

16. DEFAULT AND TERMINATION

Franchisor may terminate this Agreement as described in this Section, and Franchisee agrees and acknowledges that the defaults, or failure to cure such defaults within the appropriate time period prescribed below (if any), will constitute "good cause" and "reasonable cause" for termination under any state franchise laws or regulations that might apply to the operation of the Franchised Business.

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16.1 Termination without an Opportunity to Cure. Franchisor has the right to terminate this Agreement, without an opportunity to cure, by sending notice to Franchisee in accordance with Section 20, upon the occurrence of any of the following:

16.1.1 The Franchisee becomes insolvent or makes a general assignment for the benefit of creditors, unless otherwise prohibited by law;

16.1.2 A petition in bankruptcy is filed by Franchisee or such a petition is filed against and consented to by Franchisee and not dismissed within thirty (30) days;

16.1.3 A bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian in connection with the Franchisee or Franchised Business (or assets of the Franchised Business) is filed and consented to by Franchisee;

16.1.4 A receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed;

16.1.5 A final judgment in excess of Ten Thousand Dollars ($10,000.00) against Franchisee remains unsatisfied or of record for sixty (60) days or longer (unless a bond is filed or other steps are taken to effectively stay enforcement of such judgment in the relevant jurisdiction), except that Franchisor may provide Franchisee with additional time to satisfy the judgment if Franchisee demonstrates that it is using commercially reasonable efforts to resolve the issues related to the judgment;

16.1.6 Franchisee, or any of its principals, owners or guarantors, does, or attempts to Transfer or otherwise dispose of any interest in Franchisee, this Agreement or the Franchised Business in violation of Section 13;

16.1.7 If Franchisee or Franchisee's principals, owners or guarantors commit any fraud or misrepresentation in the establishment or operation of the Franchised Business, including without limitation, any misrepresentation or material omission made in Franchisee's franchise application;

16.1.8 If Franchisee and any other required attendees fail to attend and complete the Initial Training Program within the time period prescribed in this Agreement;

16.1.9 If Franchisee or Franchisee's principals, owners or guarantors violate the any of the restrictive covenants set forth in Section 14;

16.1.10 If Franchisee or its principals, owners, guarantors or employees misuses the Proprietary Marks or Confidential Information in any manner, or otherwise violates any provision of this Agreement related to the use of the Proprietary Marks, Confidential Information and any other confidential materials provided by Franchisor (including those provisions related to non-disclosure of the Manuals and other confidential materials that Franchisor loans to Franchisee);

16.1.11 If Franchisee or its principals, owners, guarantors or employees intentionally misuses any proprietary software, including Franchisor's then-current System Software Platform, that Franchisor designates for use in connection with the Franchised Business, including any breach of the provisions and requirement regarding entry of new prospective Clients set forth in Sections 2.3 and 2.4;

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16.1.12 If Franchisee or any of Franchisee's principals, owners or guarantors default on any other agreement with Franchisor or any affiliate or Approved Supplier of Franchisor, and such default is not cured within the prescribed time period set forth in that other agreement, or a notice sent to Franchisee and/or its principals, owners or guarantors related to that default;

16.1.13 If Franchisee defaults under the lease for its Commercial Space and does not cure within the prescribed period of time thereunder, or if Franchisee otherwise loses its right to possess and control any such Approved Location to operate the Franchised Business at any time during the term of this Agreement (except in cases of *force majeure* and cases where Franchisor has previously approved Franchisee's relocation request and Franchisee timely relocates); or

16.1.14 If Franchisee voluntarily or otherwise abandons the Franchised Business. For purposes of this Agreement, the term "abandon" means: (i) failure to actively operate the Franchised Business for more than ten (10) business days without Franchisor's prior written consent; or, (ii) any other conduct on the part of Franchisee or its principals that Franchisor determines indicates an intent to discontinue operating the Franchised Business in accordance with this Agreement or the Manuals;

16.1.15 If Franchisee, any person controlling, controlled by, or under common control with the Franchisee, any principal officer or employee of Franchisee, or any person owning an interest in Franchise is convicted of a felony or any other crime or offense (even if not a crime) that is reasonably likely in the reasonable opinion of Franchisor to adversely affect the System, any System unit, the Proprietary Marks, or the goodwill associated therewith;

16.1.16 If Franchisee or any principal, owner or guarantor take for his, her or its own personal use any assets or property of the Franchised Business, including inventory, employee taxes, FICA, insurance or benefits;

16.1.17 If there are insufficient funds in Franchisee's EFT Account to cover a check or EFT payment due to Franchisor or its affiliates under this Agreement two (2) or more times within any twelve (12) month period;

16.1.18 If Franchisee commits repeated violations of any health, zoning, sanitation, or other regulatory law, standard, or practice; operates the business in a manner that presents a health or safety hazard to its employees or customers;

16.1.19 If Franchisee fails to open and commence operations of the Franchised Business within the time period prescribed in Section 6; or

16.1.20 If Franchisee receives from Franchisor three (3) or more notices to cure any defaults or violations set forth in Section 15.2 or 15.3 of this Agreement during any twelve (12) month period, whether or not these breaches were timely cured.

16.2 <u>Termination upon Notice and Opportunity to Cure.</u> Except for those defaults set forth in Section 15.1 and 15.3, Franchisor may terminate this Agreement upon notice to Franchisee in the event Franchisee: fails to cure any of the following breach or violation of this Agreement within the time periods set forth below after Franchisee is provided with notice thereof by Franchisor:

16.2.1 If Franchisee fails to cure any of the following violations under this Agreement within 48 hours of being notified by Franchisor: (i) failure to offer only those Approved Products and Approved Services that Franchisor authorizes at the Franchised Business; or, (ii) failure to purchase any Required Item that Franchisor designates as necessary for the establishment or operation of the Franchised Business from the appropriate Approved Supplier(s) that Franchisor designates;

16.2.2 If Franchisee fails to provide Franchisor with access, or otherwise blocks Franchisor's access, to the information contained on the System Software System or other Computer System components, and fails to remedy this default by ensuring Franchisor has such access within forty-eight (48) hours of being notified by Franchisor;

16.2.3 If Franchisee fails to pay Franchisor, its affiliates, or the Approved Supplier of any Required Item any amount that is due and owing that party within thirty (30) days of the date that Franchisor (or other party owed the money) notifies Franchisee of the outstanding amount that is due and owed;

16.2.4 If Franchisee fails, for a period of fifteen (15) days after notification (or such greater time as is strictly necessary to allow compliance) of non-compliance by appropriate authority, to comply with any law or regulation applicable to the operation of the Franchised Business;

16.2.5 If Franchisee fails, for a period of ten (10) days after notification (or such greater time as is strictly necessary to allow compliance) of non-compliance, to obtain any other licenses, certificates, permits or approvals necessary to operate the Franchised Business at the Approved Location; or

16.2.6 If Franchisee fails to meet the Minimum Productivity Levels set forth in Section 6.20 in any Applicable MPL Quarters, and subsequently fails to meet the applicable Minimum Productivity Level in the Applicable MPL Quarter after Franchisee receives notice of said default from Franchisor.

16.3 Termination upon Notice and 30 Days' Cure. Except for those defaults set forth in Section 15.1 and 15.2, Franchisor may terminate this Agreement upon notice to Franchisee in the event Franchisee: (i) breaches or violates any other covenant, obligation, term, condition, warranty, or certification under this Agreement, including Franchisee's failure to comply with any of Franchisor's other System standards and specifications in the operation of the Franchised Business as set forth in the Manuals; and (ii) fails to cure such breach or violation within thirty (30) days of the date Franchisee is provided with notice thereof by Franchisor.

16.4 Step-In Rights. In addition to Franchisor's right to terminate this Agreement, and not in lieu of such right or any other rights hereunder, if this Agreement is subject to termination due to Franchisee's failure to cure any default within the applicable time period (if any), then Franchisor has the right, but not the obligations, to enter the Approved Location and exercise complete authority with respect to the operation of the Franchised Business until such time that Franchisor determines that the default(s) at issue have been cured and that Franchisee is otherwise in compliance with the terms of this Agreement. If Franchisor exercises these "step-in rights," Franchisee must pay Franchisor a management fee amounting to ten percent (10%) of the Gross Sales of the Franchised Business during the time period that Franchisor's representatives are operating the Franchised Business (the "**Management Fee**"); and, reimburse Franchisor for all reasonable costs and overhead that Franchisor incurs in connection with its

operation of the Franchised Business, including without limitation, costs of personnel supervising and staffing the Franchised Business and any travel, lodging and meal expenses. If Franchisor undertakes to operate the Franchised Business pursuant to this Section, Franchisee must indemnify, defend and hold Franchisor (and its representatives and employees) harmless from and against any Claims that may arise out of Franchisor's operation of the Franchised Business.

17. POST-TERMINATION AND EXPIRATION OBLIGATIONS

Upon the expiration or termination of this Agreement, Franchisee must strictly comply with the following:

17.1 Cease Ownership and Operation of Franchised Business; Cease Affiliate with Franchisor and Brand Generally. Cease to be an owner of Franchised Business under this Agreement and cease to operate the former Franchised Business under the System. If this Agreement is terminated for cause by Franchisor; then, Franchisee will not thereafter directly or indirectly represent to the public that the former Franchised Business is or was operated or in any way connected with the System or hold itself out as a present or former owner of a Franchised Business (unless Franchisor agrees otherwise in writing).

17.2 Return Manuals and Confidential Information. Return to Franchisor all copies of the Manuals and all trade secrets, Confidential Information (including all Client Information) and other confidential materials, equipment, software and property owned by Franchisor and all copies thereof (and where all items or copies cannot be returned; destroy or permanently delete the same from all devices or information storage locations or accounts owned or controlled by Franchisee). Franchisee will not retain any copy or record of any of the foregoing; provided, however, that Franchisee may retain its copy of this Agreement, any correspondence between the parties, and any other document which Franchisee reasonably needs for compliance with any applicable law.

17.3 Assignment of Approved Services Contracts, Telephone/Facsimile Numbers and Domain Names. Take such action that Franchisor designates to: (i) provide and assign to Franchisor the then-current and up-to-date Client and property lists and any Approved Services contracts and other agreements between Clients and the former Franchised Business; and, (ii) transfer, disconnect, forward, or assign all telephone, mobile and facsimile numbers and domain names used in connection with the former Franchised Business, as well as any telephone directories, references, advertisements, listings, and all trade and similar name registrations and business licenses to Franchisor or its designee and cancel any interest which Franchisee may have in the same (as Franchisor directs in its sole discretion). Franchisee agrees to execute all documents necessary to comply with the obligations of this Section, including the form Conditional Assignment of Telephone and Facsimile Numbers and Domain Names attached to this Agreement as Exhibit E.

17.4 Cease Using Proprietary Marks.

17.4.1 Cease to use in advertising or in any manner whatsoever any methods, procedures, or techniques associated with the System in which Franchisor has a proprietary right, title, or interest, and cease to use the Proprietary Marks and any other marks and indicia of operation associated with the System.

17.4.2 Remove all trade dress, then Franchisee must remove physical characteristics, color combinations, and other indications of operation under the System

from the Approved Location and from the Approved Vehicles (and provide documentation thereof to Franchisor as set forth in Section 16.7).

17.4.3 Upon Franchisor's request, Franchisee must provide all materials bearing the Proprietary Marks to Franchisor, without cost to Franchisor.

17.5 Compliance with Post-Term Covenants. Comply with the covenants not to compete and other restrictive covenants set forth in Section 14.

17.6 Payment of Amounts Due. Pay Franchisor and each of Franchisor's Approved Suppliers, any and all amounts owed under this Agreement or otherwise in connection with the former Franchised Business within five (5) days of the termination or expiration date.

17.7 Written Evidence of Compliance. Within fourteen (14) days after the date this Agreement is terminated or expires, provide Franchisor with written evidence satisfactory to Franchisor that Franchisee's obligations in this Section have been satisfied.

17.8 Transfer or Disconnection of Telephone Numbers. Franchisee acknowledges that there will be substantial confusion among the public if, after the Transfer, termination, expiration or non-renewal of this Agreement, Franchisee continues to use advertisements and/or the telephone numbers or domain names under any name, including the term "Refresh," or any other name or mark similar to any of the Proprietary Marks. Thus, effective upon the Transfer, termination, expiration or non-renewal of this Agreement, Franchisee agrees to direct the telephone company servicing Franchisee, per Franchisor's request, to disconnect the telephone number used in connection with the Franchised Business or to transfer such number to Franchisor or to any person or location of Franchisor's choosing. If Franchisee fails to take these steps, Franchisee will be considered to have irrevocably appointed Franchisor as Franchisee's attorney-in-fact for purposes of directing and accomplishing such transfer. Franchisee understands and agrees that, notwithstanding any billing arrangements with any telephone company or telephone directory company, Franchisor will be considered to be the subscriber of such telephone numbers, with full authority to instruct the applicable telephone directory company as to the use and disposition of telephone listings and numbers. Franchisee hereby agrees to release, indemnify, and hold such companies harmless from any damages or loss as a result of following Franchisor's instructions. Franchisee must sign and comply with the form of Conditional Assignment of Telephone and Facsimile Numbers and Domain Names.

17.9 Purchase of Assets. Franchisor will have the first option, but not the obligation, within thirty (30) days after the date of termination, expiration or non-renewal of this Agreement to purchase any and all of Franchisee's Approved Vehicle(s) and other assets necessary to operate the Franchised Business at a purchase price equal to net depreciated book value of such assets determined as of the end of the month preceding the date of termination, expiration or non-renewal of this Agreement. If Franchisor elects this option, Franchisor will deliver written notice to Franchisee. Franchisor will have the right to inspect equipment at any time during this thirty (30) day period. If Franchisor elects to purchase equipment as part of the asset purchase, Franchisor will be entitled to, and Franchisee must provide, all customary warranties and representations as to compliance with law, the maintenance, function, and condition of the equipment and Franchisee's good title to the equipment (including, but not limited to, that Franchisee owns the equipment free and clear of any liens and encumbrances).

18. TAXES AND INDEBTEDNESS

18.1 Taxes. Franchisee must pay any and all federal, state, and local taxes when due, including without limitation, any payroll, unemployment, workers' compensation and sales taxes which are levied or assessed with respect to any services or products furnished, used, or licensed pursuant to this Agreement and all accounts or other indebtedness of every kind incurred by Franchisee in the operation of the Franchised Business.

18.2 Debts and Obligations. Franchisee hereby expressly covenants and agrees to accept full and sole responsibility for any and all debts and obligations incurred in the operation of the Franchised Business.

19. WRITTEN APPROVALS; WAIVERS; FORMS OF AGREEMENT; AMENDMENT

19.1 Franchisor's Approval. Whenever this Agreement requires or Franchisee desires to obtain Franchisor's approval, Franchisee must make a timely written request. Unless a different period is specified in this Agreement, Franchisor will respond with its approval or disapproval within fifteen (15) days of receipt of such request. If Franchisor has not specifically approved a request within such fifteen (15) day period, such failure to respond will be considered to be a disapproval of any such request.

19.2 No Waiver. No failure of Franchisor to exercise any power reserved to it by this Agreement and no custom or practice of the parties at variance with the terms hereof will constitute a waiver of Franchisor's right to demand exact compliance with any of the terms herein. No waiver or approval by Franchisor of any particular breach or default by Franchisee; no delay, forbearance, or omission by Franchisor to act or give notice of default or to exercise any power or right arising by reason of such default hereunder; and no acceptance by Franchisor of any payments due hereunder will be considered a waiver or approval by Franchisor of any preceding or subsequent breach or default by Franchisee of any term, covenant, or condition of this Agreement.

19.3 Terms of Other Franchise Agreements. No warranty or representation is made by Franchisor that all franchise agreements entered into by Franchisor in connection with the operation of a Business do or will contain terms substantially similar to those contained in this Agreement. Further, Franchisee recognizes and agrees that Franchisor may, in its reasonable business judgment due to local business conditions or otherwise, waive or modify comparable provisions of other franchise agreements granted to other System franchise owners in a non-uniform manner.

19.4 Modification of System and Manuals. Except as provided in Section 22 and Franchisor's right to unilaterally modify the System and Manuals, no amendment, change, or variance from this Agreement will be binding upon either Franchisor or Franchisee unless set forth in writing and signed by both parties.

19.5 No Disclaimers of Franchise Disclosure Document. Nothing in this Agreement or in any related agreement is intended to disclaim the representations Franchisor made in the Franchise Disclosure Document.

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20. ENFORCEMENT

20.1 No Withholding of Payments. Franchisee agrees and acknowledges that it may not withhold payments or amounts of any kind due to Franchisor on the premise of alleged nonperformance by Franchisor of any of its obligations hereunder.

20.2 Costs and Attorneys' Fees. If Franchisee is in breach or default of any monetary or non-monetary obligation under this Agreement or any related agreement between Franchisee and Franchisor and/or Franchisor's affiliates, and Franchisor or any of Franchisor's express third-party beneficiaries under this Agreement engage an attorney to enforce its rights (whether or not formal judicial proceedings are initiated), Franchisee must reimburse that party for all costs and expenses incurred in connection with enforcing its rights under this Agreement, including all reasonable attorneys' fees, court costs and litigation expenses and enforcement of judgement or debt collection costs. If Franchisee institutes any legal action to interpret or enforce the terms of this Agreement, and Franchisee's claim in such action is denied or the action is dismissed, Franchisor is entitled to recover Franchisor's reasonable attorneys' fees, and all other reasonable costs and expenses incurred in defending against same, and to have such an amount awarded as part of the judgment in the proceeding.

21. NOTICES

Any notice required to be given hereunder must be in writing and will be either mailed by certified mail, return receipt requested, or delivered by a recognized courier service, receipt acknowledged. Notices must be provided to each party at the following respective addresses:

To Franchisor:
Renovation Franchise North America, LLC
Attn: Paul English, CEO
415 South Florida Blanca
Pensacola, FL 32502

With a copy to:
Lexagon, LLC
Attn: Jeffrey A. Brimer, Esq.
6550 East 6th Avenue Parkway
Denver, CO 80220

To Franchisee:
_____
_____
_____
_____

Any notice complying with these provisions will be considered to be delivered at the earlier of: (i) three (3) days after mailing; or (ii) the actual date of delivery or receipt (as evidenced by the courier). Each party will have the right to designate any other address for such notices by providing the other party(ies) with written notice thereof at the addresses above, and in such event, all notices to be mailed after receipt of such notice will be sent to such other address. Notices may also be sent and considered to be delivered to Franchisee if such notice is sent to the email address that Franchisor provided to Franchisee for use in connection with the Franchised Business, or otherwise has on file for Franchisee.

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22. GOVERNING LAW AND DISPUTE RESOLUTION

22.1 Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of Florida, without reference to this state's conflict of laws principles.

22.2 Internal Dispute Resolution. Franchisee must first bring any claim or dispute between Franchisee and Franchisor to Franchisor's CEO or other executive management, after providing notice as set forth in Section 21.7, and make every effort to resolve the dispute internally. Franchisee must exhaust this internal dispute resolution procedure before Franchisee may bring Franchisee's dispute before a third party. This agreement to first attempt resolution of disputes internally will survive termination or expiration of this Agreement.

22.3 Mediation. At Franchisor's option, all claims or disputes between Franchisee and Franchisor (or its affiliates) arising out of, or in any way relating to, this Agreement or any other agreement by and between Franchisee and Franchisor (or its affiliates), or any of the parties' respective rights and obligations arising from such agreement, which are not first resolved through the internal dispute resolution procedure sent forth in Section 21.2, will be submitted first to mediation to take place at a location designated by Franchisor in Florida under the auspices of the American Arbitration Association ("**AAA**"), in accordance with AAA's Commercial Mediation Rules then in effect. Before commencing any legal action against Franchisor or its affiliates with respect to any such claim or dispute, Franchisee must submit a notice to Franchisor, which specifies, in detail, the precise nature and grounds of such claim or dispute. Franchisor will have a period of thirty (30) days following receipt of such notice within which to notify Franchisee as to whether Franchisor or its affiliates elects to exercise its option to submit such claim or dispute to mediation. Franchisee may not commence any action against Franchisor or its affiliates with respect to any such claim or dispute in any court unless Franchisor fails to exercise its option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by Franchisor. Franchisor's rights to mediation, as set forth herein, may be specifically enforced by Franchisor. Each party will bear its own cost of mediation and Franchisor and Franchisee will share mediator fees equally. This agreement to mediate will survive any termination or expiration of this Agreement. The parties will not be required to first attempt to mediate a controversy, dispute, or claim through mediation as set forth in this Section 21.3 if such controversy, dispute, or claim concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating): (i) any federally protected intellectual property rights in the Proprietary Marks, the System, or in any Confidential Information or other confidential information; (ii) any of the restrictive covenants contained in this Agreement; and (iii) any of Franchisee's payment obligations under this Agreement.

22.4 Injunctive Relief. Franchisee acknowledges and agrees that irreparable harm could be caused to Franchisor by Franchisee's violation of certain provisions of this Agreement and, as such, in addition to any other relief available at law or equity, Franchisor may obtain in any court of competent jurisdiction, without bond, restraining orders or temporary or permanent injunctions in order to enforce, among other items, the provisions of this Agreement relating to: (i) Franchisee's use of the Proprietary Marks and Confidential Information (including any proprietary software used in connection with the Franchised Business); (ii) the in-term covenant not to compete, as well as any other violations of the restrictive covenants set forth in this Agreement; (iii) Franchisee's obligations on termination or expiration of this Agreement; (iv) disputes and controversies based on or arising under the Lanham Act, or otherwise involving the Proprietary Marks, as now or hereafter amended; (v) disputes and controversies involving enforcement of the

Franchisor's rights with respect to confidentiality under this Agreement; (vi) to prohibit any act or omission by Franchisee or its employees that constitutes a violation of applicable law, threatens Franchisor's franchise system or threatens other franchisees of Franchisor; and, (vii) the assignment of the franchise and ownership interests in Franchisee. Franchisee's only remedy if such an injunction is entered will be the dissolution of the injunction, if appropriate, and Franchisee waives all damage claims if the injunction is wrongfully issued.

22.5 Venue. Subject to Sections 21.2 through 21.4, the parties agree that any actions arising out of or related to this Agreement must be initiated and litigated to conclusion exclusively in the state court of general jurisdiction located in the State of Florida, or, if appropriate, the United States District Court for the Northern District of Florida (subject to state law). Franchisee hereby irrevocably consents to the personal jurisdiction of the state and federal courts of Florida as set forth in this Section.

22.6 Third Party Beneficiaries. Franchisor's officers, directors, shareholders, owners, members, managers, affiliates, parents, subsidiaries, agents and/or employees are express third party beneficiaries of the provisions of this Agreement, including without limitation the dispute resolution provisions set forth in this Section 21.

22.7 Notice Requirement. As a condition precedent to commencing an action for damages or for violation or breach of this Agreement, Franchisee must notify Franchisor within sixty (60) days after the occurrence of the violation or breach, and failure to timely give such notice will preclude any claim for damages.

22.8 No Withholding of Payments. Franchisee will not withhold all or any part of any payment to Franchisor or any of its affiliates on the grounds of Franchisor's alleged nonperformance or as an offset against any amount Franchisor or any of Franchisor's affiliates allegedly may owe Franchisee under this Agreement or any related agreements.

22.9 Limitation of Actions. Franchisee further agrees that: (i) no cause of action arising out of or relating to this Agreement may be maintained by Franchisee against Franchisor or its affiliates and officers, directors, shareholders and employees, in their corporate and individual capacities unless brought before the expiration of one (1) year after the act, transaction or occurrence upon which such action is based or the expiration of one year after the Franchisee becomes aware of facts or circumstances reasonably indicating that Franchisee may have a claim against Franchisor hereunder, whichever occurs sooner; and (ii) any action not brought within this period will be barred as a claim, counterclaim, defense, or set-off. Franchisee hereby waives the right to obtain any remedy based on alleged fraud, misrepresentation, or deceit by Franchisor, including, without limitation, rescission of this Agreement, in any mediation, judicial, or other adjudicatory proceeding arising hereunder, except upon a ground expressly provided in this Agreement.

22.10 Waiver of Punitive Damages. Franchisee hereby waives to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) against Franchisor arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agrees that in the event of a dispute, that Franchisee's recovery is limited to actual damages. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions will continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages. Nothing in this Section or any other provision of this Agreement will be construed to

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prevent Franchisor from claiming and obtaining expectation or consequential damages, including lost future royalties for the balance of the term of this Agreement if it is terminated due to Franchisee's default, which the parties agree and acknowledge Franchisor may claim under this Agreement.

22.11 WAIVER OF JURY TRIAL. THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER WILL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR FRANCHISEE'S PURCHASE FROM FRANCHISOR OF THE FRANCHISE AND/OR ANY GOODS OR SERVICES.

22.12 WAIVER OF CLASS ACTIONS. THE PARTIES AGREE THAT ALL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT, OR THE SALE OF THE FRANCHISED BUSINESS, WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN FRANCHISEE, FRANCHISEE'S GUARANTORS AND FRANCHISOR OR ITS AFFILIATES/OFFICERS/EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD PARTY.

23. SEVERABILITY AND CONSTRUCTION

23.1 Severability. Should any provision of this Agreement for any reason be held invalid, illegal, or unenforceable by a court of competent jurisdiction, such provision will be considered to be restricted in application to the extent required to render it valid, and the remainder of this Agreement will in no way be affected and will remain valid and enforceable for all purposes, both parties hereto declaring that they would have executed this Agreement without inclusion of such provision. In the event such total or partial invalidity or unenforceability of any provision of this Agreement exists only with respect to the laws of a particular jurisdiction, this paragraph will operate upon such provision only to the extent that the laws of such jurisdiction are applicable to such provision. Each party agrees to execute and deliver to the other any further documents which may be reasonably required to make fully the provisions hereof.

23.2 Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered will be considered to be an original, but such counterparts together will constitute the same instrument.

23.3 Headings and Captions. The table of contents, headings, and captions contained herein are for the purposes of convenience and reference only and are not to be construed as a part of this Agreement. All terms and words used herein will be construed to include the number and gender as the context of this Agreement may require. The parties agree that each Section of this Agreement will be construed independently of any other Section or provision of this Agreement.

24. ACKNOWLEDGMENTS

24.1 Acknowledgement of Receipt of Agreement. Franchisee acknowledges that it received a complete copy of Franchisor's Franchise Disclosure Document ("**FDD**") for a period not less than fourteen (14) calendar days and this Agreement for a period not less than seven (7) calendar days before signing the Agreement, during which time conducted an independent

investigation of the business licensed hereunder to the extent of Franchisee's desire to do so. Franchisee recognizes and acknowledges that the business venture contemplated by this Agreement involves business risks, and that its success will be largely dependent upon the ability of the Franchisee as an independent businessperson. Franchisee acknowledges that this Agreement, the FDD, and the exhibits hereto constitutes the entire Agreement of the parties. This Agreement terminates and supersedes any prior agreement between the parties concerning the same subject matter.

24.2 No Personal Liability. Franchisee agrees and acknowledges that fulfillment of any and all of Franchisor's obligations written in this Agreement or based on any oral communications which may be ruled to be binding in a court of law will be Franchisor's sole responsibility and none of Franchisor's agents, representatives, nor any individuals associated with Franchisor's franchise company will be personally liable to Franchisee for any reason. This is an important part of this Agreement. Franchisee agrees that nothing that Franchisee believes Franchisee has been told by Franchisor or Franchisor's representatives will be binding unless it is written in this Agreement. This is an important part of this Agreement. Do not sign this Agreement if there is any question concerning its contents or any representations made.

SIGNATURE PAGE FOLLOWS THIS PAGE

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IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement under seal on the date first written above.

FRANCHISOR:

RENOVATION FRANCHISE NORTH AMERICA, LLC

By: _____
Paul English, CEO

Date: _____

FRANCHISEE:

IF FRANCHISEE IS AN INDIVIDUAL:

_____
Print Name of Franchisee

_____

Date: _____

_____
Print Name of Franchisee Spouse (if applicable)

_____

Date: _____

IF FRANCHISEE IS A PARTNERSHIP, CORPORATION, OR OTHER ENTITY:

ENTITY NAME

By: _____

Print Name: _____

Title: _____

Date: _____

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EXHIBIT A TO THE FRANCHISE AGREEMENT

DATA SHEET AND STATEMENT OF OWNERSHIP

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DATA SHEET AND STATEMENT OF OWNERSHIP

1. APPROVED LOCATION

Pursuant to Section 2.2, the Franchised Business will be located at the following Approved Location (which will be a home office unless Franchisor has approved a third-party Commercial Space as of the date the parties sign this Agreement):

_____

_____

2. PERMITTED TERRITORY

Pursuant to Section 2.3, Franchisee is awarded a franchise within the Permitted Territory. The Permitted Territory is defined by the following zip codes (if identified on a map, please attach map and reference attachment below):

_____

_____

_____

_____

3. INITIAL FRANCHISE FEE: $_____

4. BUSINESS LAUNCH DATE: _____

If there is no date designated, the Business Launch Date will be the earlier of: (i) the day after Franchisee receives all pre-opening initial training under the Franchise Agreement; or (ii) three (3) months from the date the Franchise Agreement is signed.

5. FRANCHISEE CONTACT PERSON

The following individual is a shareholder, member or partner of Franchisee and is the principal person to be contacted on all matters relating to the Franchised Business:

Name:_____

Daytime Telephone No.:_____

Evening Telephone No.:_____

Cellular Telephone No.:_____

Facsimile No.:_____

E-mail Address:_____

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6. STATEMENT OF OWNERSHIP

If Franchisee is a corporation, limited liability company, partnership or other business entity, the undersigned agree and acknowledge that the following is a complete list of all of the shareholders, members, or partners of Franchisee and the percentage interest of each individual:

Name	Position/Title	Interest (%)

THE PARTIES SIGNING THIS DATA SHEET BELOW AGREE AND ACKNOWLEDGE THAT THIS DATA SHEET, BY ITSELF, DOES NOT CONSTITUTE A FRANCHISE AGREEMENT OR OTHERWISE CONFER ANY FRANCHISE RIGHTS UPON FRANCHISEE. THIS DATA SHEET PROVIDES CERTAIN DEAL-SPECIFIC INFORMATION IN CONNECTION WITH THE FRANCHISE THAT IS GOVERNED BY THE FRANCHISE AGREEMENT TO WHICH THIS DATA SHEET IS AN EXHIBIT.

THE PARTIES AGREE AND ACKNOWLEDGE THAT THE FOREGOING FRANCHISE AGREEMENT MUST BE EXECUTED PRIOR TO OR CONTEMPORANEOUS WITH THIS DATA SHEET FOR ANY RIGHTS TO BE CONFERRED.

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IN WITNESS WHEREOF, the undersigned has duly executed this Exhibit to the Franchise Agreement on this _____.

FRANCHISOR:

RENOVATION FRANCHISE NORTH AMERICA, LLC

By: _____
Paul English, CEO

Date: _____

FRANCHISEE:

IF FRANCHISEE IS AN INDIVIDUAL:

_____
Print Name of Franchisee

_____

Date: _____

_____
Print Name of Franchisee Spouse (if applicable)

_____

Date: _____

IF FRANCHISEE IS A PARTNERSHIP, CORPORATION, OR OTHER ENTITY:

ENTITY NAME

By: _____

Print Name: _____

Title: _____

Date: _____

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EXHIBIT B TO THE FRANCHISE AGREEMENT

PERSONAL GUARANTY

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PERSONAL GUARANTY

NOTE: IF FRANCHISEE IS A CORPORATION, LIMITED LIABILITY COMPANY OR OTHER BUSINESS ENTITY, THEN EACH INDIVIDUAL/ENTITY WITH AN OWNERSHIP INTEREST IN FRANCHISEE (PRINCIPALS/MEMBERS/SHAREHOLDERS/MANAGERS/PARTNERS/ETC.) AND THEIR RESPECTIVE SPOUSES MUST EXECUTE THIS FORM OF PERSONAL GUARANTY. IF FRANCHISEE IS AN INDIVIDUAL AND FRANCHISEE'S SPOUSE HAS NOT SIGNED THE FRANCHISE AGREEMENT DIRECTLY, THEN FRANCHISEE'S SPOUSE MUST EXECUTE THIS FORM OF PERSONAL GUARANTY.

1. PERSONAL GUARANTY

(a) The undersigned persons (individually and collectively "you") hereby represent to Renovation Franchise North America, LLC (the "**Franchisor**") that you are all the owners/principals/members/shareholders/managers/partners, as applicable, of the business entity named [INSERT FRANCHSIEE NAME] (the "**Franchisee**"), as well as their respective spouses, as of the date this Personal Guaranty (the "**Personal Guaranty**" or "**Guaranty**") is executed.

(b) In consideration of the grant by Franchisor to the Franchisee as herein provided, each of you hereby agree, in consideration of benefits received and to be received by each of you, jointly and severally, and for yourselves, your heirs, legal representatives and assigns, to be firmly bound by all of the terms, provisions and conditions of the foregoing franchise agreement, and any other agreement between Franchisee and Franchisor and/or its affiliates, and do hereby unconditionally guarantee the full and timely performance by Franchisee of each and every obligation of Franchisee under the aforesaid Franchise Agreement or other agreement between Franchisor and Franchisee, including, without limitation: (i) any indebtedness of Franchisee arising under or by virtue of the aforesaid Franchise Agreement; (ii) the prohibition of any change in the percentage of Franchisee owned, directly or indirectly, by any person, without first obtaining the written consent of Franchisor prior to said proposed Transfer as set forth in the Franchise Agreement; (iii) those obligations related to confidentiality, non-disclosure and indemnification; and (iv) the in-term and post-term covenants against competition, as well as all other restrictive covenants set forth in the Franchise Agreement.

2. CONFIDENTIALITY

(a) During the Initial Term and any Renewal Term of the Franchise Agreement and this Guaranty, you will receive information, which Franchisor considers to be Confidential Information, trade secrets and/or confidential information, including without limitation: (i) site-selection criteria; (ii) methods, techniques and trade secrets for use in connection with the proprietary business operating system that Franchisor and its affiliates have developed (the "**System**") for the establishment and operation of a business (each, a "**Business**") and/or a franchised business utilizing the system (each, a "**Franchised Business**"); (iii) marketing research and promotional, marketing and advertising programs for the Franchised Business; (iv) knowledge of specification for and suppliers of, certain products, fixtures, furnishings, equipment and inventory used at the Franchised Business (v) knowledge of the operating results and financial performance of other Franchised Businesses; (vi) customer communication and retention programs, along with data used or generated in connection with those programs; (vii) Franchisor's proprietary Manuals and other instructional manuals, as well as any training materials and information Franchisor has developed for use in connection with the System; (viii) information regarding the development of Franchisor's proprietary marks (the "**Proprietary**

Marks"); (ix) information generated by, or used or developed in, an Franchised Business's operation, including client names, properties and related rental management agreements or contracts of any kind, addresses, telephone numbers and related information and any other information contained in the Franchised Business's computer system or proprietary software system; (x) Franchisor's proprietary Manuals and other instructional manuals, as well as any training materials and information Franchisor has developed for use in connection with the System; (xi) as well as any other proprietary information or confidential information that is provided to Franchisee by Franchisor during the term of the Franchise Agreement (collectively, "**Confidential Information**"). You will not, during the term of this Agreement or anytime thereafter, communicate, divulge, or use for the benefit of any other person, partnership, association, corporation, or limited liability company any Confidential Information and trade secrets, including, without limitation: Franchisor's copyrighted materials; price marketing mixes related to the Approved Services and Products (as defined in the Franchise Agreement); standards and specifications for providing the Approved Services and Products and other merchandise or services offered or authorized for sale by System Franchisees; methods and other techniques and know-how concerning the of operation of the Franchised Business, which may be communicated to you or of which you may become apprised by virtue of your role as a guarantor of the Franchisee's obligations under the Franchise Agreement. You also acknowledge and agree that the following also constitutes "**Confidential Information**" under this Section: (i) former, current and prospective client information, including customer names and addresses, contracts/agreements (collectively "**Client Information**"), and (ii) sources and pricing matrices of any approved or designated suppliers; and (iii) any and all information, knowledge, know-how, techniques, and other data, which Franchisor designates as confidential.

3. NON-COMPETITION

You acknowledge that as a participant in the Franchisor's System, you will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures and techniques which Franchisor has developed. Therefore, to protect Franchisor and all Franchisor's franchisees, you agree as follows:

(a) During the Term of the Franchise Agreement and this Guaranty. During the term of the Franchise Agreement and this Personal Guaranty, each of the undersigned may not, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

(i) Own, maintain, engage in, be employed or serve as an officer, director, or principal of, lend money, lease space or extend credit to (or otherwise have any interest in or involvement with), any other business that (a) offers, sells or provides any type of kitchen, bathroom, bedroom or other interior home renovation services or products, (b) works with any of Franchisor's Approved Suppliers to otherwise directly compete with a Franchised Business (collectively, a "**Competing Business**"), or (b) offers or grants licenses or franchises, or establishes joint ventures, for the ownership or operation of a Competing Business; provided, however, that this Section does not apply to your operation of a business pursuant to a valid franchise agreement with Franchisor, or your ownership of less than two percent (2%) of the interests in a publicly traded company; or

(ii) Divert or attempt to divert business or customers of any Franchisee-owned Franchised Businesses to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks or the System.

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(b) After the Term of the Franchise Agreement and this Guaranty.

(i) For a period of two (2) years after the Transfer, termination, expiration or nonrenewal of the Franchise Agreement, regardless of the cause, neither Franchisee, its principals, owners and guarantors, nor any member of the immediate family of Franchisee, its principals, owners or guarantors, may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation, be involved with any business that competes in whole or in part with Franchisor by offering or granting licenses or franchises, or establishing joint ventures, for the ownership or operation of a Competing Business. The geographic scope of the covenant contained in this Section is any location where Franchisor can demonstrate it has offered or sold franchises as of the date the Franchise Agreement is terminated or expires.

(ii) For a period of two (2) years after the Transfer, termination, expiration or nonrenewal of the Franchise Agreement, regardless of the cause, each of the undersigned may not, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation:

(1) Own, maintain, engage in, be employed as an officer, director, or principal of, lend money to, extend credit to, lease/sublease space to, or have any interest in or involvement with any other Competing Business:

a. within the Permitted Territory;

b. within a thirty (30) mile radius of the Permitted Territory; or

c. within a thirty (30) mile radius of any business granted by Franchisor that is open or under development as of the date the Franchise Agreement expires and/or is terminated.

(2) Solicit business from Clients of Franchisee's former Franchised Business or contact any of Franchisor's suppliers or vendors for any competitive business purpose;

(3) Nothing in this Section 3.2 will preclude or otherwise affect the undersigned from seeking and securing employment with national chain such as HOME DEPOT, LOWES or other national retailer that happens to sell one (1) or more of the Approved Products on the grounds that employment with such a national retailer does not, in and of itself, constitute involvement with a "Competing Business," provided all other confidentiality, non-solicitation and other covenants are complied with by the undersigned.

(c) Intent and Enforcement. It is the parties' intent that the provisions of this Section 3 be judicially enforced to the fullest extent permissible under applicable law. Accordingly, the parties agree that any reduction in scope or modification of any part of the noncompetition provisions contained herein will not render any other part unenforceable. In the event of the actual or threatened breach of this Section 3 by you, any of your principals, or any members of their immediate family, Franchisor will be entitled to an injunction restraining such person from any such actual or threatened breach. You agree that in the event of the actual or threatened breach of this Section 3, Franchisor's harm will be irreparable, and that Franchisor has no adequate remedy at law to prevent such harm. You acknowledge and agree that each of you has previously

worked or been gainfully employed in other careers and that the provisions of this Section 3 in no way prevents you from earning a living. You further acknowledge and agree that the time limitation of this Section 3 will be tolled during any default under this Guaranty.

4. DISPUTE RESOLUTION

(a) Acknowledgment. You acknowledge that this Guaranty is not a franchise agreement and does not confer upon you any rights to use the Franchisor's proprietary marks or its system.

(b) Governing Law. This Guaranty will be considered to have been made in and governed by the laws of the State of Florida.

(c) Internal Dispute Resolution. You must first bring any claim or dispute arising out of or relating to the Franchise Agreement or this Personal Guaranty to Franchisor's President or other executive management. You agree to exhaust this internal dispute resolution procedure before bringing any dispute before a third party. This agreement to engage in internal dispute resolution first will survive the termination or expiration of this Agreement.

(d) Mediation.

(i) At Franchisor's option, all claims or disputes between you and Franchisor or its affiliates arising out of, or in any way relating to, the Franchise Agreement, this Guaranty or any other agreement by and between the parties or their respective affiliates, or any of the parties' respective rights and obligations arising from such agreements, which are not first resolved through the internal dispute resolution procedure set forth above, must be submitted first to mediation, at a location designated by Franchisor in Florida under the auspices of the American Arbitration Association ("**AAA**"), in accordance with AAA's Commercial Mediation Rules then in effect. Before commencing any legal action against Franchisor or its affiliates with respect to any such claim or dispute, you must submit a notice to Franchisor that specifies, in detail, the precise nature and grounds of such claim or dispute. Franchisor will have a period of thirty (30) days following receipt of such notice within which to notify you as to whether Franchisor or its affiliates elect to exercise our option to submit such claim or dispute to mediation. You may not commence any arbitration proceeding or other action against Franchisor or its affiliates with respect to any such claim or dispute in any court unless Franchisor fails to exercise its option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by Franchisor. Franchisor may specifically enforce our mediation rights under this Section. Each party will bear its own cost of mediation, except that you and Franchisor will share the mediator's fees and costs equally. This agreement to mediate at Franchisor's option will survive any termination or expiration of the Franchise Agreement and this Guaranty.

(ii) *Excepted Claims.* The parties agree that mediation will not be required with respect to any claim or dispute involving: (i) any of your payment obligations that are past due; (ii) the actual or threatened disclosure or misuse of Franchisor's Confidential Information; (iii) the actual or threatened violation of Franchisor's rights in, or misuse of, the Proprietary Marks, System or other trade secrets; (iv) any of the restrictive covenants contained in the Franchise Agreement or this Guaranty; or (v) any claims arising out of or

related to fraud or misrepresentation by you, or your insolvency (collectively, the "**Excepted Claims**").

(e) Jurisdiction and Venue. Subject to Sections 4.3, 4.4 and 4.7 of this Guaranty, the parties agree that any action at law or in equity instituted against either party to this Agreement must be commenced and litigated to conclusion (unless settled) only in any court of competent jurisdiction located in the State of Florida, or, if appropriate, the United States District Court for the Northern District of Florida. The undersigned hereby irrevocably consent to the jurisdiction of these courts.

(f) Third Party Beneficiaries. Franchisor's officers, directors, shareholders, owners, members, managers, affiliates, parents, subsidiaries, agents and/or employees are express third-party beneficiaries of this Agreement and the mediation and other dispute resolution provisions contained herein, each having authority to specifically enforce the right to mediate and litigate claims asserted against such person(s) by you.

(g) Right to Injunctive Relief. Nothing contained in this Guaranty will prevent Franchisor from applying to or obtaining from any court having jurisdiction a writ of attachment, temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect Franchisor's interest prior to the filing of any mediation or arbitration proceeding, or pending the trial or handing down of a decision or award pursuant to any mediation or arbitration proceeding conducted hereunder. If injunctive relief is granted, your only remedy will be the court's dissolution of the injunctive relief. If the injunctive relief was wrongfully issued, you expressly waive all claims for damages you incurred as a result of the wrongful issuance.

(h) JURY TRIAL AND CLASS ACTION WAIVER. THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER WILL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR FRANCHISEE'S PURCHASE FROM FRANCHISOR OF THE FRANCHISE AND/OR ANY GOODS OR SERVICES. THE PARTIES AGREE THAT ALL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT, OR THE SALE OF THE FRANCHISED BUSINESS, WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN FRANCHISEE, FRANCHISEE'S GUARANTORS AND FRANCHISOR OR ITS AFFILIATES, OFFICERS, EMPLOYEES, AGENTS OR REPRESENTATIVES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD PARTY.

(i) Limitation of Action. You further agree that no cause of action arising out of or under this Guaranty may be maintained by you unless brought before the expiration of one year after the act, transaction or occurrence upon which such action is based or the expiration of one year after you become aware of facts or circumstances reasonably indicating that you may have a claim against us, whichever occurs sooner, and that any action not brought within this period will be barred as a claim, counterclaim, defense or set-off.

(j) Punitive Damages. You hereby waive to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) which you may have against us, arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agrees that in the event of a dispute, that your recovery will be limited to actual

damages. If any other term of this Guaranty is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions will continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

(k) Costs and Attorneys' Fees. Whether or not formal legal proceedings are initiated, in the event Franchisor or any of Franchisor's express third party beneficiaries incurs any legal fees or other costs associated with enforcing the terms of this Guaranty or the Franchise Agreement against you, then that party will be entitled to recover from you all costs and expenses, including reasonable attorneys' fees, incurred in enforcing the terms of this Guaranty or the Franchise Agreement.

(l) Nonwaiver. Franchisor's failure to insist upon strict compliance with any provision of this Guaranty will not be a waiver of our right to do so, any law, custom, usage or rule to the contrary notwithstanding. Delay or omission by us respecting any breach or default will not affect Franchisor's rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Guaranty will be cumulative. Your election to exercise any remedy available by law or contract will not be considered to be a waiver or preclude exercise of any other remedy.

(m) No Personal Liability. You agree that fulfillment of any and all of Franchisor's obligations written in the Franchise Agreement or this Guaranty, or based on any oral communications which may be ruled to be binding in a court of law, will be Franchisor's sole responsibility and none of our owners, officers, agents, representatives, nor any individuals associated with Franchisor will be personally liable to you for any reason. This is an important part of this Guaranty. You agree that nothing that you believe you have been told by us or our representatives will be binding unless it is written in the Franchise Agreement or this Guaranty. Do not sign this Agreement if there is any question concerning its contents or any representations made.

(n) Severability. The parties agree that if any provisions of this Guaranty may be construed in two ways, one of which would render the provision illegal or otherwise voidable or unenforceable and the other which would render it valid and enforceable, such provision will have the meaning, which renders it valid and enforceable. The language of all provisions of this Guaranty will be construed according to fair meaning and not strictly construed against either party. The provisions of this Guaranty are severable, and this Guaranty will be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and partially valid and enforceable provisions will be enforced to the extent that they are valid and enforceable. If any material provision of this Guaranty will be stricken or declared invalid, the parties agree to negotiate mutually acceptable substitute provisions. In the event that the parties are unable to agree upon such provisions, Franchisor reserves the right to terminate this Guaranty.

(o) Construction of Language. Any term defined in the Franchise Agreement which is not defined in this Guaranty will be ascribed the meaning given to it in the Franchise Agreement. The language of this Guaranty will be construed according to its fair meaning, and not strictly for or against either party. All words in this Guaranty refer to whatever number or gender the context requires. If more than one party or person is referred to as you, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation.

(p) Successors. References to "Franchisor" or "the undersigned," or "you" include the respective parties' heirs, successors, assigns or transferees.

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IN WITNESS WHEREOF, the parties hereto have executed and delivered this Guaranty on the date stated on the first page hereof.

PERSONAL GUARANTORS

[Insert Signature of Guarantor]	[Insert Signature of Spouse]
[Insert Signature of Guarantor]	[Insert Signature of Spouse]

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EXHIBIT C TO THE FRANCHISE AGREEMENT

COLLATERAL ASSIGNMENT AND ASSUMPTION OF LEASE

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COLLATERAL ASSIGNMENT AND ASSUMPTION OF LEASE

THIS COLLATERAL ASSIGNMENT AND ASSUMPTION OF LEASE (this "**Assignment**") is made, entered into and effective on this ___day of _____, 20____ (the "**Effective Date**,") by and between: (i) Renovation Franchise North America, LLC, a Florida limited liability company with its principal place of business at 415 South Florida Blanca Street, Pensacola, Florida 32502 (the "**Franchisor**"); and (ii) _____, a (resident of) (corporation organized in) (limited liability company organized in) _____ with a business address at _____ (the "**Franchisee**").

BACKGROUND INFORMATION

The Franchisor entered into that certain Franchise Agreement (the "**Franchise Agreement**") dated as of _____, 20__ with the Franchisee, pursuant to which the Franchisee plans to own and operate a franchised business (the "**Franchised Business**") located at _____ (the "**Site**"). In addition, pursuant to that certain Lease Agreement (the "**Lease**"), the Franchisee has leased or will lease certain space containing the Franchised Business described therein from _____ (the "**Lessor**"). The Franchise Agreement requires the Franchisee to deliver this Assignment to the Franchisor as a condition to the grant of a franchise.

OPERATIVE TERMS

The Franchisor and the Franchisee agree as follows:

1. **Background Information**: The background information is true and correct. This Assignment will be interpreted by reference to, and construed in accordance with, the background information set forth above.

2. **Incorporation of Terms**: Terms not otherwise defined in this Assignment have the meanings as defined in the Franchise Agreement.

3. **Indemnification of Franchisor**: Franchisee agrees to indemnify and hold Franchisor and its affiliates, parents, subsidiaries, managers, members, stockholders, directors, officers, principals, franchisees/licensees and representatives harmless from and against any and all losses, liabilities, claims, proceedings, demands, damages, judgments, injuries, attorneys' fees, costs and expenses, that they incur resulting from any claim brought against any of them or any action which any of them are named as a party or which any of them may suffer, sustain or incur by reason of, or arising out of, Franchisee's breach of any of the terms of the Lease, including the failure to pay rent or any other terms and conditions of the Lease.

4. **Conditional Assignment**: Franchisee hereby grants to the Franchisor a security interest in and to the Lease, all of the furniture, fixtures, inventory and supplies located in the Site and the franchise relating to the Franchised Business, and all of the Franchisee's rights, title and interest in and to the Lease as conditional for the payment of any obligation, liability or other amount owed by the Franchisee or its affiliates to the Lessor arising under the Lease and for any default or breach of any of the terms and provisions of the Lease, and for any default or breach of any of the terms and provisions of the Franchise Agreement. In the event of a breach or default by Franchisee under the terms of the Lease, or, in the event Franchisor makes any payment to the Lessor as a result of the Franchisee's breach of the Lease, then such payment by the Franchisor, or such breach or default by the Franchisee, will, at Franchisor's option, be considered to be an

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immediate default under the Franchise Agreement, and the Franchisor will be entitled to the possession of the Site and to all of the rights, title and interest of the Franchisee in and to the Lease and to all other remedies described herein or in the Franchise Agreement or at law or in equity, without prejudice to any other rights or remedies of the Franchisor under any other agreements or under other applicable laws or equities. This Assignment constitutes a lien on the interest of the Franchisee in and to the Lease until satisfaction in full of all amounts owed by the Franchisee to the Franchisor. In addition, the rights of the Franchisor to assume all obligations under the Lease provided in this Assignment are totally optional on the part of the Franchisor, to be exercised in its sole discretion. Franchisee agrees to execute any and all Uniform Commercial Code financing statements and all other documents and instruments determined to be necessary by Franchisor to perfect or document the interests and assignments granted herein.

5. **No Subordination**: Franchisee will not permit the Lease to become subordinate to any lien without first obtaining Franchisor's written consent, other than the lien created by this Assignment, the Franchise Agreement, the Lessor's lien under the Lease, liens securing bank financing for the operations of Franchisee on the Site and the agreements and other instruments referenced herein. The Franchisee will not terminate, modify or amend any of the provisions or terms of the Lease without the prior written consent of the Franchisor. Any attempt at termination, modification or amendment of any of the terms of the Lease without such written consent is null and void.

6. **Exercise of Remedies**: In any case of default by the Franchisee under the terms of the Lease or under the Franchise Agreement, Franchisor will be entitled to exercise any one or more of the following remedies in its sole discretion:

(a) to take possession of the Site, or any part thereof, personally, or by its agents or attorneys;

(b) to, in its discretion, without notice and with or without process of law, enter upon and take and maintain possession of all or any part of the Site, together with all furniture, fixtures, inventory, books, records, papers and accounts of the Franchisee;

(c) to exclude the Franchisee, its agents or employees from the Site;

(d) as attorney-in-fact for the Franchisee, or in its own name, and under the powers herein granted, to hold, operate, manage and control the Franchised Business and conduct the business, if any, thereof, either personally or by its agents, with full power to use such measures, legally rectifiable, as in its discretion may be determined to be proper or necessary to cure such default, including actions of forcible entry or detainer and actions in distress of rent, hereby granting full power and authority to the Franchisor to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter;

(e) to cancel or terminate any unauthorized agreements or subleases entered into by the Franchisee, for any cause or ground which would entitle the Franchisor to cancel the same;

(f) to disaffirm any unauthorized agreement, sublease or subordinated lien, to make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the Site or the Site that may seem judicious, in the sole discretion of the Franchisor; and

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(g) to insure and reinsure the same for all risks incidental to the Franchisor's possession, operation and management thereof; and/or

(h) notwithstanding any provision of the Franchise Agreement to the contrary, to declare all of the Franchisee's rights but not obligations under the Franchise Agreement to be immediately terminated as of the date of Franchisee defaults under the Lease and fails to cure said default within the applicable cure period (if any).

The parties agree and acknowledge that Franchisor is not required to assume the Lease, take possession of the Site or otherwise exercise of its other rights described in this Assignment. In the event Franchisor elects to exercise its right to assume the Lease and/or take possession of the Site, it will provide written notice to Franchisee in writing and undertake the other necessary actions at issue. Nothing in this Assignment may be construed to impose an affirmative obligation on the part of Franchisor to exercise any of the rights set forth herein.

7. **Power of Attorney**: Franchisee does hereby appoint irrevocably Franchisor as its true and lawful attorney-in-fact in its name and stead and hereby authorizes it, upon any default under the Lease or under the Franchise Agreement, with or without taking possession of the Site, to rent, lease, manage and operate the Site to any person, firm or corporation upon such terms and conditions in its discretion as it may determine, and with the same rights and powers and immunities, exoneration of liability and rights of recourse and indemnity as the Franchisor would have upon taking possession of the Site pursuant to the provisions set forth in the Lease. The power of attorney conferred upon the Franchisor pursuant to this Assignment is a power coupled with an interest and cannot be revoked, modified or altered without the written consent of the Franchisor.

8. **Election of Remedies**: It is understood and agreed that the provisions set forth in this Assignment are considered to be a special remedy given to the Franchisor and are not considered to exclude any of the remedies granted in the Franchise Agreement or any other agreement between the Franchisor and the Franchisee, but are considered to be an additional remedy and will be cumulative with the remedies therein and elsewhere granted to the Franchisor, all of which remedies are enforceable concurrently or successively. No exercise by the Franchisor or any of the rights hereunder will cure, waiver or affect any default hereunder or default under the Franchise Agreement. No inaction or partial exercise of rights by the Franchisor will be construed as a waiver of any of its rights and remedies and no waiver by the Franchisor of any such rights and remedies will be construed as a waiver by the Franchisor of any future rights and remedies. Franchisor is not required to exercise any of its rights set forth in Section 6, but will have the irrevocable right to do so.

9. **Binding Agreements**: This Assignment and all provisions hereof will be binding upon the Franchisor and the Franchisee, their successors, assigns and legal representatives and all other persons or entities claiming under them or through them, or either of them, and the words "Franchisor" and "Franchisee" when used herein will include all such persons and entities and any others liable for payment of amounts under the Lease or the Franchise Agreement. All individuals executing on behalf of corporate entities hereby represent and warrant that such execution has been duly authorized by all necessary corporate and shareholder authorizations and approvals.

10. **Assignment to Control**: This Assignment governs and controls over any conflicting provisions in the Lease.

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11. **Attorneys' Fees, Etc.**: In any action or dispute, at law or in equity, that may arise under or otherwise relate to this Assignment, the prevailing party will be entitled to recover its attorneys' fees, costs and expenses relating to any trial or appeal (including, without limitation, paralegal fees) or arbitration or bankruptcy proceeding from the non-prevailing party.

12. **Severability**: If any of the provisions of this Assignment or any section or subsection of this Assignment will be held invalid for any reason, the remainder of this Assignment or any such section or subsection will not be affected thereby and will remain in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the Parties have caused this Assignment to be executed as of the day and year first above written.

FRANCHISOR:	**FRANCHISEE:**
RENOVATION FRANCHISE NORTH AMERICA, LLC	**ENTITY NAME**
By: _____ Paul English, CEO	By: _____
	Print Name: _____
Date: _____	Title: _____
	Date: _____

The Lessor hereby consents, agrees with, approves of and joins in with this COLLATERAL ASSIGNMENT AND ASSUMPTION OF LEASE.

LESSOR

_____

By: _____

Name: _____

Title: _____

Date: _____

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EXHIBIT D TO THE FRANCHISE AGREEMENT

EFT AUTHORIZATION FORM

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EFT AUTHORIZATION FORM

Please attach a voided blank check, to set up Bank and Transit Numbers.

Bank Name:_____
ABA#::_____
Acct. No.:_____
Acct. Name:_____

Effective as of the date of the signature below, **[Franchisee Name]** (the "**Franchisee**") hereby authorizes Renovation Franchise North America, LLC (the "**Company**") or its designee to withdraw funds from the above-referenced bank account, electronically or otherwise, to cover the following payments that are due and owing Company or its affiliates under the franchise agreement dated _____(the "**Franchise Agreement**") for the franchised business located at: _____ (the "**Franchised Business**"): (i) all Royalty Fees, Fund Contributions, Ongoing Software Fees, Collaboration Fees; (ii) any amounts due and owing the Company or its affiliates in connection with marketing materials or other supplies or inventory that is provided by Company or its affiliates; and (iii) all other fees and amounts due and owing to Company or its affiliates under the Franchise Agreement. Franchisee acknowledges each of the fees described above may be collected by the Company (or its designee) as set forth in the Franchise Agreement.

The parties further agree that all capitalized terms not specifically defined herein will be afforded the definition they are given in the Franchise Agreement.

Such withdrawals will occur on a weekly basis, or on such other schedule as Company will specify in writing. This authorization will remain in full force and effect until terminated in writing by Company. **[Franchisee Name]** will provide Company, in conjunction with this authorization, a voided check from the above-referenced account.

AGREED:

FRANCHISEE	**FRANCHISOR APPROVAL**
[INSERT FRANCHISEE NAME]	**RENOVATION FRANCHISE NORTH AMERICA, LLC**
By:_____	By: _____ Paul English, CEO
Name (Print):_____	
Its:_____	

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EXHIBIT E TO THE FRANCHISE AGREEMENT

CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND DOMAIN NAMES

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CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS AND DOMAIN NAMES

1. _____, doing business as Franchised Business (the "**Assignor**"), in exchange for valuable consideration provided by Renovation Franchise North America, LLC (the "**Assignee**"), receipt of which is hereby acknowledged hereby conditionally assigns to Assignee all telephone numbers, facsimile numbers, domain names, as well as any listings associated therewith, utilized by Assignor in the operation of its REFRESH RENOVATIONS franchised business located at _____ (collectively, the "**Assigned Property**"). The Assigned Property includes the following:

Telephone Number(s): _____

Facsimile Number(s): _____

Domain Name(s) (as permitted by Franchisor under the Franchise Agreement):_____

_____

2. The conditional agreement will become effective automatically upon termination, expiration of Assignor's franchise. Upon the occurrence of that condition, Assignor must do all things required by the telephone company and/or domain name registrar to assure the effectiveness of the assignment of Assigned Property as if the Assignee had been originally issued such Assigned Property and the usage thereof.

3. Assignor agrees to pay the telephone company and/or domain name registrar, on or before the effective date of assignment, all amounts owed for the use of the Assigned Property up to the date this Assignment becomes effective. Assignor further agrees to indemnify Assignee for any sums Assignee must pay the telephone company or domain name registrar to effectuate this agreement and agrees to fully cooperate with the telephone company and/or domain name registrar, as well as the Assignee, in effectuating this assignment.

ASSIGNOR

BY: _____ Date_____

TITLE:_____

ASSIGNEE

RENOVATION FRANCHISE NORTH AMERICA, LLC

BY:_____
Paul English, CEO

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EXHIBIT F TO THE FRANCHISE AGREEMENT

CONFIDENTIALITY [AND NON-COMPETITION] AGREEMENT

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CONFIDENTIALITY [AND NON-COMPETITION] AGREEMENT

NOTE: EACH RESTRICTED PERSON MUST EXECUTE THIS FORM OF CONFIDENTIALITY AGREEMENT. IF THE RESTRICTED PERSON DOES NOT HAVE AN OWNERSHIP INTEREST, DELETE THE POST-TERMINATION NONCOMPETITION AGREEMENT

The undersigned person ("**you**") hereby represent to Renovation Franchise North America, LLC (the "**Franchisor**") that you are a Restricted Person (as defined in the Franchise Agreement), of the business entity named [FRANCHISEE NAME] (the "**Franchisee**"), as of the date this Confidentiality and Non-Competition Agreement (the "**Agreement**") is executed.

In consideration of the grant by Renovation Franchise North America, LLC (the "**Franchisor**") to Franchisee, you hereby agree, in consideration of benefits received and to be received by you, jointly and severally, and for yourself, your heirs, legal representatives and assigns do hereby agree to those obligations related to confidentiality, non-disclosure and the in-term [and post-term] covenants against competition, as set forth in this Agreement.

1. CONFIDENTIALITY

During the initial and any renewal terms of the Franchise Agreement and this Agreement, you may receive information, which Franchisor considers to be Confidential Information, trade secrets and/or confidential information, including without limitation: (i) site-selection criteria; (ii) methods, techniques and trade secrets for use in connection with the proprietary business operating system that Franchisor and its affiliates have developed (the "**System**") for the establishment and operation of a business (each, a "**Business**") and/or a franchised business utilizing the system (each, a "**Franchised Business**"); (iii) marketing research and promotional, marketing and advertising programs for the Franchised Business; (iv) knowledge of specification for and suppliers of, certain products, fixtures, furnishings, equipment and inventory used at the Franchised Business (v) knowledge of the operating results and financial performance of other Franchised Businesses; (vi) customer communication and retention programs, along with data used or generated in connection with those programs; (vii) Franchisor's proprietary Manuals and other instructional manuals, as well as any training materials and information Franchisor has developed for use in connection with the System; (viii) information regarding the development of Franchisor's proprietary marks (the "**Proprietary Marks**"); (ix) information generated by, or used or developed in, an Franchised Business's operation, including client names, properties and related rental management agreements or contracts of any kind, addresses, telephone numbers and related information and any other information contained in the Franchised Business's computer system or proprietary software system; (x) Franchisor's proprietary Manuals and other instructional manuals, as well as any training materials and information Franchisor has developed for use in connection with the System; (xi) as well as any other proprietary information or confidential information that is provided to Franchisee by Franchisor during the term of the Franchise Agreement (collectively, "**Confidential Information**"). You shall not, during the term of this Agreement or anytime thereafter, communicate, divulge, or use for the benefit of any other person, partnership, association, corporation, or limited liability company any Confidential Information and trade secrets, including, without limitation: Franchisor's copyrighted materials; price marketing mixes related to the Approved Services and Products (as defined in the Franchise Agreement); standards and specifications for providing the Approved Services and Products and other merchandise or services offered or authorized for sale by System franchisees; methods and other techniques and know-how concerning the of operation of the Franchised Business, which may be communicated to you or of which you may become apprised by virtue of your role as a guarantor of the Franchisee's obligations under the Franchise Agreement. You also acknowledge

and agree that the following also constitutes "Confidential Information" under this Section: (i) former, current and prospective client information, including customer names and addresses, contracts/agreements (collectively "**Client Information**"), and (ii) sources and pricing matrices of any approved or designated suppliers; and (iii) any and all information, knowledge, know-how, techniques, and other data, which Franchisor designates as confidential.

2. NON-COMPETITION

You acknowledge that as a participant in the Franchisor's System, you will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures and techniques which Franchisor has developed. Therefore, to protect Franchisor and all Franchisor's franchisees (including Franchisee), you agree as follows:

(a) During the Term of the Franchise Agreement and this Agreement. During the term of the Franchise Agreement and this Agreement, you may not, directly or indirectly, for yourself or through, on behalf of, or in conjunction with any other person, partnership or corporation:

(i) Own, maintain, engage in, be employed or serve as an officer, director, or principal of, lend money, lease space or extend credit to (or otherwise have any interest in or involvement with), any other business that (a) offers, sells or provides any type of kitchen, bathroom, bedroom or other interior home renovation services or products, (b) works with any of Franchisor's Approved Suppliers to otherwise directly compete with a Franchised Business (collectively, a "**Competing Business**"), or (b) offers or grants licenses or franchises, or establishes joint ventures, for the ownership or operation of a Competing Business; provided, however, that this Section does not apply to your operation of a business pursuant to a valid franchise agreement with Franchisor, or your ownership of less than two percent (2%) of the interests in a publicly traded company; or

(ii) Divert or attempt to divert business or customers of any Franchisee-owned Franchised Businesses to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks or the System.

(b) After the Term of the Franchise Agreement and this Agreement. [NOTE: DELETE THIS SECTION IF SIGNER HAS NO OWNERSHIP INTEREST IN FRANCHISEE]

(i) For a period of two (2) years after the expiration and nonrenewal, Transfer or termination of the Franchise Agreement, regardless of the cause, you may not, directly or indirectly, for yourself or through, on behalf of, or in conjunction with any other person, partnership or corporation, be involved with any business that competes in whole or in part with Franchisor by offering or granting licenses or franchises, or establishing joint ventures, for the ownership or operation of a Competing Business. The geographic scope of the covenant contained in this Section is any location where Franchisor can demonstrate it has offered or sold franchises as of the date the Franchise Agreement is terminated or expires.

(ii) For a period of two (2) years after the expiration and nonrenewal, Transfer or termination of the Franchise Agreement, regardless of the cause, you may not, directly or indirectly, or through, on behalf of, or in conjunction with any other person, partnership or corporation:

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(1) Own, maintain, engage in, be employed as an officer, director, or principal of, lend money to, extend credit to, lease/sublease space to, or have any interest in or involvement with any other Competing Business:

a. within the Permitted Territory;

b. within a thirty (30) mile radius of the Permitted Territory; or

c. within a thirty (30) mile radius of any business granted by Franchisor that is open or under development as of the date the Franchise Agreement expires and/or is terminated.

(2) Solicit business from Clients of Franchisee's former Franchised Business or contact any of Franchisor's suppliers or vendors for any competitive business purpose;

(3) Nothing in this Section shall preclude or otherwise affect you from seeking and securing employment with national chain such as HOME DEPOT, LOWES or other national retailer that happens to sell one (1) or more of the Approved Products on the grounds that employment with such a national retailer does not, in and of itself, constitute involvement with a "**Competing Business**," provided all other confidentiality, non-solicitation and other covenants are complied with by the undersigned.

(c) Intent and Enforcement. It is the parties' intent that the provisions of this Article II be judicially enforced to the fullest extent permissible under applicable law. Accordingly, the parties agree that any reduction in scope or modification of any part of the noncompetition provisions contained herein shall not render any other part unenforceable. In the event of the actual or threatened breach of this Article II by you, any of your principals, or any members of their immediate family, Franchisor shall be entitled to an injunction restraining such person from any such actual or threatened breach. You agree that in the event of the actual or threatened breach of this Article II, Franchisor's harm will be irreparable, and that Franchisor has no adequate remedy at law to prevent such harm. You acknowledge and agree that each of you has previously worked or been gainfully employed in other careers and that the provisions of this Article II in no way prevents you from earning a living. You further acknowledge and agree that the time limitation of this Article II shall be tolled during any default under this Agreement.

3. DISPUTE RESOLUTION

(a) Acknowledgment. You acknowledge that this Agreement is not a franchise agreement and does not confer upon you any rights to use the Franchisor's proprietary marks or its system.

(b) Governing Law. This Agreement will be considered to have been made in and governed by the laws of the State of Florida.

(c) Internal Dispute Resolution. You must first bring any claim or dispute arising out of or relating to the Franchise Agreement or this Agreement to Franchisor's President or other executive management. You agree to exhaust this internal dispute resolution procedure before bringing any dispute before a third party. This agreement to engage in internal dispute resolution first shall survive the termination or expiration of this Agreement.

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(d) Mediation.

(i) At Franchisor's option, all claims or disputes between you and Franchisor or its affiliates arising out of, or in any way relating to, the Franchise Agreement, this Agreement or any other agreement by and between the parties or their respective affiliates, or any of the parties' respective rights and obligations arising from such agreements, which are not first resolved through the internal dispute resolution procedure set forth above, must be submitted first to mediation, at a location designated by Franchisor in Florida under the auspices of the American Arbitration Association ("**AAA**"), in accordance with AAA's Commercial Mediation Rules then in effect. Before commencing any legal action against Franchisor or its affiliates with respect to any such claim or dispute, you must submit a notice to Franchisor that specifies, in detail, the precise nature and grounds of such claim or dispute. Franchisor will have a period of thirty (30) days following receipt of such notice within which to notify you as to whether Franchisor or its affiliates elect to exercise our option to submit such claim or dispute to mediation. You may not commence any arbitration proceeding or other action against Franchisor or its affiliates with respect to any such claim or dispute in any court unless Franchisor fails to exercise its option to submit such claim or dispute to mediation, or such mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by Franchisor. Franchisor may specifically enforce our mediation rights under this Section. Each party shall bear its own cost of mediation, except that you and Franchisor shall share the mediator's fees and costs equally. This agreement to mediate at Franchisor's option shall survive any termination or expiration of the Franchise Agreement and this Agreement.

(ii) The parties agree that mediation shall not be required with respect to any claim or dispute involving: (i) any of your payment obligations that are past due; (ii) the actual or threatened disclosure or misuse of Franchisor's Confidential Information; (iii) the actual or threatened violation of Franchisor's rights in, or misuse of, the Proprietary Marks, System or other trade secrets; (iv) any of the restrictive covenants contained in the Franchise Agreement or this Agreement; or (v) any claims arising out of or related to fraud or misrepresentation by you, or your insolvency (collectively, the "**Excepted Claims**").

(e) Jurisdiction and Venue. Subject to Sections 3(c), 3(d) and 3(g) of this Agreement, the parties agree that any action at law or in equity instituted against either party to this Agreement must be commenced and litigated to conclusion (unless settled) only in any court of competent jurisdiction located in the State of Florida, or, if appropriate, the United States District Court for the Northern District of Florida. The undersigned hereby irrevocably consent to the jurisdiction of these courts.

(f) Third Party Beneficiaries. Franchisor's officers, directors, shareholders, owners, members, managers, affiliates, parents, subsidiaries, agents and/or employees are express third-party beneficiaries of this Agreement and the mediation and other dispute resolution provisions contained herein, each having authority to specifically enforce the right to mediate and litigate claims asserted against such person(s) by you.

(g) Right to Injunctive Relief. Nothing contained in this Agreement will prevent Franchisor from applying to or obtaining from any court having jurisdiction a writ of attachment, temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect Franchisor's interest prior to the filing of any mediation or arbitration proceeding, or

pending the trial or handing down of a decision or award pursuant to any mediation or arbitration proceeding conducted hereunder. If injunctive relief is granted, your only remedy will be the court's dissolution of the injunctive relief. If the injunctive relief was wrongfully issued, you expressly waive all claims for damages you incurred as a result of the wrongful issuance.

(h) JURY TRIAL AND CLASS ACTION WAIVER. THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR FRANCHISEE'S PURCHASE FROM FRANCHISOR OF THE FRANCHISE AND/OR ANY GOODS OR SERVICES. THE PARTIES AGREE THAT ALL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT, OR THE SALE OF THE FRANCHISED BUSINESS, WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN FRANCHISEE, FRANCHISEE'S GUARANTORS AND FRANCHISOR OR ITS AFFILIATES, OFFICERS, EMPLOYEES, AGENTS, AND REPRESENTATIVES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD PARTY.

(i) Limitation of Action. You further agree that no cause of action arising out of or under this Agreement may be maintained by you unless brought before the expiration of one year after you become aware of facts or circumstances reasonably indicating that you or Franchisee may have a claim against Franchisor hereunder or the expiration of two (2) years after the act, transaction or occurrence upon which such action is based, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense or set-off.

(j) Punitive Damages. You hereby waive to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) which you may have against us, arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agrees that in the event of a dispute, that your recovery shall be limited to actual damages. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

(k) Costs and Attorneys' Fees. In the event either party to this Guaranty institutes any action for the enforcement of any rights herein contained or to protect any interests hereunder, the prevailing party shall be entitled to recover from the other party, all reasonable attorneys' fees, court costs and litigation expenses and enforcement of judgement or debt collection costs.

(l) Nonwaiver. Franchisor's failure to insist upon strict compliance with any provision of this Agreement shall not be a waiver of our right to do so, any law, custom, usage or rule to the contrary notwithstanding. Delay or omission by us respecting any breach or default shall not affect Franchisor's rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Agreement shall be cumulative. Your election to exercise any remedy available by law or contract will not be considered to be a waiver or preclude exercise of any other remedy.

(m) No Personal Liability. You agree that fulfillment of any and all of Franchisor's obligations written in the Franchise Agreement or this Agreement, or based on any oral communications which may be ruled to be binding in a court of law, shall be Franchisor's sole

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responsibility and none of our owners, officers, agents, representatives, nor any individuals associated with Franchisor shall be personally liable to you for any reason. This is an important part of this Agreement. You agree that nothing that you believe you have been told by us or our representatives shall be binding unless it is written in the Franchise Agreement or this Agreement. Do not sign this Agreement if there is any question concerning its contents or any representations made.

(n) Severability. The parties agree that if any provisions of this Agreement may be construed in two ways, one of which would render the provision illegal or otherwise voidable or unenforceable and the other which would render it valid and enforceable, such provision shall have the meaning, which renders it valid and enforceable. The language of all provisions of this Agreement shall be construed according to fair meaning and not strictly construed against either party. The provisions of this Agreement are severable, and this Agreement shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and partially valid and enforceable provisions shall be enforced to the extent that they are valid and enforceable. If any material provision of this Agreement shall be stricken or declared invalid, the parties agree to negotiate mutually acceptable substitute provisions. In the event that the parties are unable to agree upon such provisions, Franchisor reserves the right to terminate this Agreement.

(o) Construction of Language. Any term defined in the Franchise Agreement which is not defined in this Agreement will be ascribed the meaning given to it in the Franchise Agreement. The language of this Agreement will be construed according to its fair meaning, and not strictly for or against either party. All words in this Agreement refer to whatever number or gender the context requires. If more than one party or person is referred to as you, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation.

(p) Successors. References to “Franchisor” or “the undersigned,” or “you” include the respective parties' heirs, successors, assigns or transferees.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Confidentiality and Non-Competition Agreement on the date stated on the first page hereof.

RESTRICTED PARTY

_____

[NAME]

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EXHIBIT G TO THE FRANCHISE AGREEMENT

FRANCHISEE DISCLOSURE ACKNOWLEDGMENT STATEMENT

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FRANCHISEE DISCLOSURE ACKNOWLEDGMENT STATEMENT

[*To be completed by Franchisee and all Owners before signing Franchise Agreement*]

As you know, you and Renovation Franchise North America, LLC (the "**Franchisor**") are about to enter into a franchise agreement for the development, opening and operation of a Franchised Business. The purpose of this Questionnaire is to determine if any improper sales practices have occurred, including, whether any statements or promises were made to you Franchisor has not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest and complete responses to each question. **The answers you provide in this Questionnaire are material to Franchisor and Franchisor is relying on all such answers in agreeing to enter into a franchise relationship with you.**

Yes ☐ No ☐ 1. Have you received and personally reviewed the Franchise Agreement and each exhibit or schedule attached to the Franchise Agreement that you intend to enter into with us?

Yes ☐ No ☐ 2. Have you received and personally reviewed the Franchise Disclosure Document that Franchisor provided to you?

Yes ☐ No ☐ 3. Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it and return the Receipt to the Franchisor?

Yes ☐ No ☐ 4. Do you understand all the information contained in the Franchise Disclosure Document and the Franchise Agreement you intend to enter into with us?

Yes ☐ No ☐ 5. Have you reviewed the Franchise Disclosure Document and Franchise Agreement with a lawyer, accountant or other professional advisor and discussed the benefits and risks of operating the Franchised Business(es) with these professional advisor(s)?

Yes ☐ No ☐ 6. Do you understand that the success or failure of your Franchised Business(es) will depend in large part upon your skills, abilities and efforts and those of the persons you employ, as well as many factors beyond your control such as demographics of your Approved Location, competition, interest rates, the economy, inflation, labor and supply costs, lease terms and the marketplace?

Yes ☐ No ☐ 7. Do you understand that we have only granted you certain, limited territorial rights under the Franchise Agreement, and that we have reserved certain rights under the Franchise Agreement?

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Yes ☐ No ☐ 8. Do you understand us and our affiliates retain the exclusive unrestricted right to engage, directly or through others, to provide services under the REFRESH RENOVATIONS mark or any other mark at any location outside your Permitted Territory under the Franchise Agreement, without regard to the proximity of these activities to the Approved Location of your Franchised Business(es)?

Yes ☐ No ☐ 9. Do you understand that all disputes or claims you may have against us and our affiliates arising out of or relating to the Franchise Agreement must be mediated, at our option, at our then-current headquarters?

Yes ☐ No ☐ 10. Do you understand the Franchise Agreement provides that you can only collect compensatory damages on any claim under or relating to the Franchise Agreement and are not entitled to any punitive, consequential or other special damages?

Yes ☐ No ☐ 11. Do you understand that the sole entity or person against whom you may bring a claim under the Franchise Agreement is us?

Yes ☐ No ☐ 12. Do you understand that you (or one your its principals if you are an organization), as well as any Designated Managers (as defined in the Franchise Agreement), must successfully complete the appropriate initial training program(s) before we will allow the Franchised Business to open or consent to a Transfer of that Franchised Business?

Yes ☐ No ☐ 13. Do you understand that we require you to complete certain initial training program(s) successfully and if you do not complete the applicable training program(s) to our satisfaction, we may terminate your Franchise Agreement?

Yes ☐ No ☐ 14. Do you understand that we do not have to sell you a franchise or additional franchises or consent to your purchase of existing franchises?

Yes ☐ No ☐ 15. Do you understand that we will send written notices, as required by your Franchise Agreement, to either your Franchised Business or home address until you designate a different address by sending written notice to us?

Yes ☐ No ☐ 16. Do you understand that we will not approve your purchase of a franchise, or we may immediately terminate your Franchise Agreement, if we are prohibited from doing business with you under any anti-terrorism law enacted by the United States Government?

Yes ☐ No ☐ 17. Is it true that no broker, employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a Franchised Business that is not contained in the Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

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Yes ☐ No ☐ 18. Is it true that no broker, employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a Franchised Business will generate, that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Disclosure Document?

Yes ☐ No ☐ 19. Is it true that no broker, employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement concerning advertising, marketing, media support, marketing penetration, training, support service or assistance that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

Yes ☐ No ☐ 20. Is it true that no broker, employee or other person providing services to you on our behalf has solicited or accepted any loan, gratuity, bribe, gift or any other payment in money, property or services from you in connection with a Franchised Business purchase with exception of those payments or loans provided in the Disclosure Document?

Yes ☐ No ☐ 21. Do you understand that the COVID-19 pandemic and financial situation could have a negative impact on the franchise industry, the home renovation industry and your Franchised Business? Do you also understand that the impact from the COVID-19 pandemic may worsen?

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO FRANCHISOR AND THAT FRANCHISOR WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

PROSPECTIVE FRANCHISEES/APPLICANTS:

By:_____	By:_____
Print Name:_____	Print Name:_____
Date:_____	Date:_____

GIVE A COMPLETE EXPLANATION OF ANY NEGATIVE RESPONSES ON THE NEXT PAGE (REFER TO QUESTION NUMBER)

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EXPLANATION OF NEGATIVE RESPONSES TO
FRANCHISEE DISCLOSURE ACKNOWLEDGMENT STATEMENT

Question Number	Explanation

EXHIBIT B
TO
RENOVATION FRANCHISE NORTH AMERICA, LLC
FRANCHISE DISCLOSURE DOCUMENT

OPERATIONS MANUAL TABLE OF CONTENTS

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Dashboard
Courses
Open Learning
Manuals
Working Documents
Resources
Events
Communities
Glossary
FAQ

Search knowledge base...

Search

The Refresh Process

The Refresh Process manuals prescribes what is done at each stage of the Refresh Process, from contacting a new lead to completing a renovation project.

View manual

Operations Manual

This manual provides an overview of Refresh, where it came from and how the business works.

View manual

Other Sections

Videos

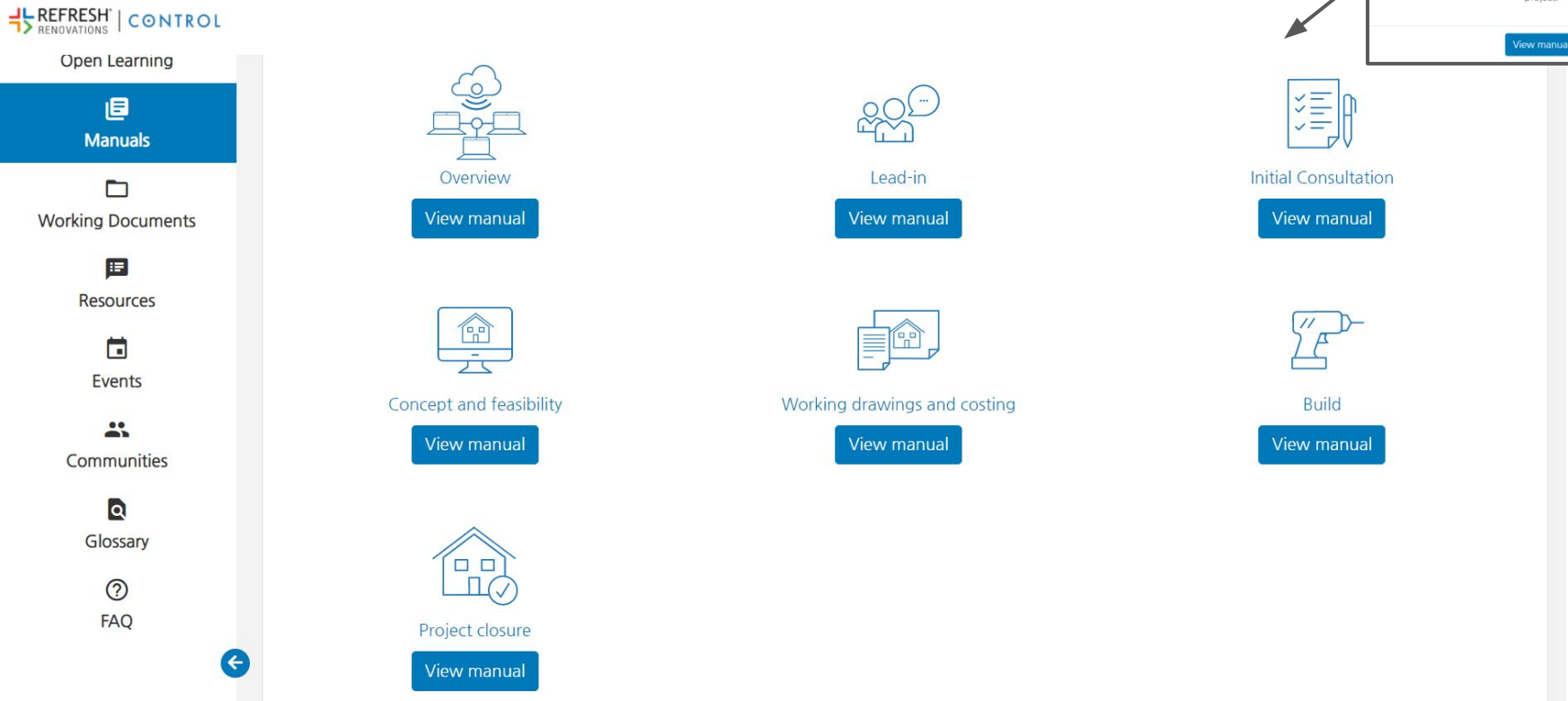
Working Documents

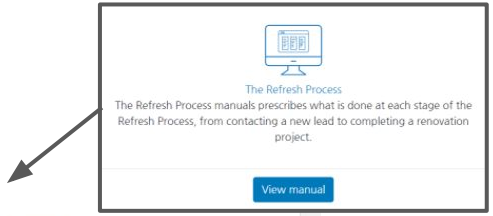
Resources

Glossary

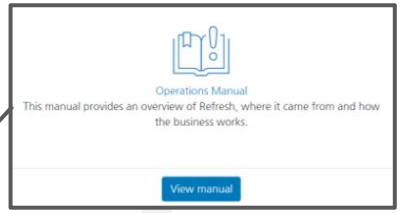
FAQs

The Refresh Process Manuals





The Refresh Operations Manuals



REFRESH RENOVATIONS | CONTROL

- Open Learning
- Manuals
- Working Documents
- Resources
- Events
- Communities
- Glossary
- FAQ

Introduction to Refresh
View manual

Control user guide and terms of use
View manual

Business establishment
View manual

Administrative Operations
View manual

Accounting
View manual

Management, Communications, Reporting
View manual

Regulatory Compliance
View manual

Marketing
View manual

Human Resources
View manual

Health and Safety
View manual

EXHIBIT C
TO
RENOVATION FRANCHISE NORTH AMERICA, LLC
FRANCHISE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

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RENOVATION FRANCHISE NORTH AMERICA, LLC

FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

RENOVATION FRANCHISE NORTH AMERICA, LLC
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FINANCIAL STATEMENTS

Balance Sheets 2

Statements of Operations and Changes in Members' Capital 3

Statements of Cash Flows 4

Notes to the Financial Statements 5

Warren Averett
CPAs AND ADVISORS

316 South Baylen Street, Suite 300
Pensacola, FL 32502
warrenaverett.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Renovation Franchise North America, LLC

We have audited the accompanying financial statements of Renovation Franchise North America, LLC, which comprise the balance sheets as of December 31, 2020 and 2019, and the related statements of operations and changes in members' capital and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Renovation Franchise North America, LLC as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Warren Averett, LLC

Pensacola, Florida
April 14, 2021

RENOVATION FRANCHISE NORTH AMERICA, LLC
BALANCE SHEETS
DECEMBER 31, 2020 AND 2019

ASSETS

	2020	2019
CURRENT ASSETS		
Cash	$ 20,674	$ 23,134
Accounts receivable, net	25,550	16,928
Prepaids and deposits	2,838	4,849
Contract commissions, current portion	2,500	2,750
Total current assets	51,562	47,661
PROPERTY AND EQUIPMENT, NET	12,333	12,273
CONTRACT COMMISSIONS, NET OF CURRENT PORTION	19,201	23,889
TOTAL ASSETS	$ 83,096	$ 83,823

LIABILITIES AND MEMBERS' CAPITAL

CURRENT LIABILITIES		
Accounts payable	$ 5,161	$ 9,494
Credit card payable	16,392	15,509
Deferred revenues, current portion	13,415	11,305
Total current liabilities	34,968	36,308
DUE TO RELATED PARTIES	94,063	45,955
DEFERRED REVENUES, NET OF CURRENT PORTION	55,070	65,278
TOTAL LIABILITIES	184,101	147,541
MEMBERS' CAPITAL (DEFICIT)	(101,005)	(63,718)
TOTAL LIABILITIES AND MEMBERS' CAPITAL	$ 83,096	$ 83,823

See notes to the financial statements.

RENOVATION FRANCHISE NORTH AMERICA, LLC
STATEMENTS OF OPERATIONS AND CHANGES IN MEMBERS' CAPITAL
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
REVENUE		
Franchise fees	$ 80,708	$ 77,222
Royalties	47,646	16,877
Marketing and brand fund contributions	29,638	7,592
Other revenue	19,819	11,132
Total revenue	177,811	112,823
OPERATING EXPENSES		
Selling, operating, and administrative expenses	506,163	412,597
Depreciation	2,935	1,903
Total operating expenses	509,098	414,500
NET LOSS	(331,287)	(301,677)
MEMBERS' CAPITAL AT BEGINNING OF YEAR	(63,718)	230,228
CAPITAL CONTRIBUTIONS	334,000	250,000
DISTRIBUTIONS	(40,000)	(242,269)
MEMBERS' CAPITAL (DEFICIT) AT END OF YEAR	$ (101,005)	$ (63,718)

See notes to the financial statements.

RENOVATION FRANCHISE NORTH AMERICA, LLC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2020

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (331,287)	$ (301,677)
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	2,935	1,903
Bad debt expense	14,407	-
Changes in assets and liabilities:		
Accounts receivable	(23,029)	(16,928)
Prepaids and deposits	2,011	(2,011)
Contract commissions	4,938	(26,639)
Accounts payable	(4,333)	(15,358)
Credit card payable	883	14,377
Deferred revenues	(8,098)	76,583
Due to related parties	48,108	45,955
Net cash used in operating activities	(293,465)	(223,795)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(2,995)	(12,057)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital contributions	334,000	250,000
Distributions	(40,000)	(242,269)
Net cash provided by financing activities	294,000	7,731
NET CHANGE IN CASH	(2,460)	(228,121)
CASH AT BEGINNING OF YEAR	23,134	251,255
CASH AT END OF YEAR	$ 20,674	$ 23,134

See notes to the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF BUSINESS

Description of Business

Renovation Franchise North America, LLC (the Company) was established and incorporated in the state of Florida on September 6, 2018 and commenced operations on January 4, 2019 upon the registration of its Franchise Disclosure Document. The Company franchises the right to own and operate a franchised business in certain regions of the United States that specializes in residential building renovations services under the name Refresh Renovations.

The Company's Members are comprised of Renovation Franchise North America Limited who holds a 95% interest and Paul English, the Company's CEO, who holds the remaining 5% interest. Traffic New Zealand, Ltd. (the New Zealand Member) holds a 95% interest in Renovation Franchise North America Limited through its subsidiary, Renovation Franchise International Limited, while the remaining 5% interest is held by Paul English.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could vary from the estimates that were used.

Adoption of New Accounting Standards

Effective January 1, 2019, the Company adopted Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which amends existing revenue recognition standards and establishes new Accounting Standards Codification (ASC) Topic 606. The core principle of this amendment is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects consideration to which the entity expects to be entitled in exchanged or those goods or services. The new guidance changed the timing of recognition of franchise sales and related commissions paid on franchise sales and renewals. The adoption of ASC 606 did not have an impact on the Company's financial statements as the Company commenced operations subsequent to the date of adoption.

Revenue Recognition

The Company generates its revenue from contracts with customers. Revenues consist primarily of initial franchise fees, royalties, marketing brand fund contributions, and technology fees.

The Company's franchise agreements offer the following benefits to the franchisee: common use and promotion of the Refresh Renovations trademarks; distinctive sales and promotional materials; access to technology; marketing tools and training; and recommended procedures for operation of Refresh Renovation offices. The Company concluded that these benefits are highly related and are all a part of one performance obligation for each franchise agreement, a license of symbolic intellectual property, thus the portion of the initial franchise fee attributable to the license is recognized on a straight-line basis over the contractual term of the franchise agreement, which is typically 10 years. The unearned amounts are presented as contract liabilities on the Balance Sheet.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF BUSINESS – CONTINUED

Revenue Recognition – Continued
The Company has separate performance obligations under its franchise agreements to provide certain pre-opening assistance and general business operations training that is not brand specific.

The portion of the initial franchise fee related to such services is recognized at the point in time at which the service is provided to the franchisee.

Royalties, including brand fund contributions and marketing requirements, are calculated as the greater of a percentage of the franchisee's monthly gross sales or a flat rate and are recognized over the term of the agreement. Per the respective franchisee agreements, all brand fund contributions paid by the franchisees must be spent on advertising, marketing, and related activities. Franchisees also have a local marketing requirement which they may invest independently or remit to the Company for the use of online marketing services made available by the Company.

Franchisees are charged a flat monthly fee for technology services that is recognized over the term of the agreement.

Contract Commissions
The Company typically pays commission fees to brokers related to franchise sales. These fees are capitalized and amortized over the term of the respective franchise agreements.

Cash and Cash Equivalents
For purposes of the statement of cash flows, the Company considers all cash and highly liquid debt instruments purchased within three months of maturity to be cash equivalents.

Accounts Receivable
Accounts receivable are carried at original invoice amount less an estimate made for doubtful receivables based on review of all outstanding accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when received. Accounts receivable are considered past due if payment is not received by the contractual terms as stated on the original invoice. The Company charges interest on past due trade accounts receivable. An allowance for doubtful accounts of $14,407 was recorded at December 31, 2020. There was no allowance for doubtful accounts recorded at December 31, 2019.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF BUSINESS – CONTINUED

Property and Equipment
The Company capitalizes all property and equipment with useful lives of greater than one year and an original cost of $500 or more. Property and equipment is recorded at cost and depreciated using the straight-line method over the estimated useful lives of the assets.

Maintenance and repairs are charged to expense as incurred; costs of major additions and betterments are capitalized. When property and equipment are sold or otherwise disposed of, the cost and related accumulated depreciation are eliminated from the accounts and any resulting gain or loss is reflected in income.

Income Taxes
The Company has elected to be treated as a partnership for federal and state income tax reporting. Therefore, the Company does not pay federal or state income taxes on its taxable income; instead, the members are liable for individual income taxes based on their respective shares or proportionate taxable income of the Company. Therefore, no provision or liability for federal or state income taxes has been included in the financial statements. Also, the Company is not aware of any uncertain tax positions that would require disclosure or accrual in accordance with generally accepted accounting principles.

Advertising Costs
The Company expenses advertising costs as they are incurred. Total advertising expenses were $46,705 and $21,429 for the years ended December 31, 2020 and 2019, respectively.

Subsequent Events
The Company has evaluated events and transactions that occurred between December 31, 2020, and April 14, 2021, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

2. PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2020 and 2019 consisted of the following:

	Useful Life	2020	2019
Office equipment	5 years	$ 6,895	$ 3,900
Office furniture	5 years	10,276	10,276
		17,171	14,176
Less accumulated depreciation		(4,838)	(1,903)
		$ 12,333	$ 12,273

The Company recognized depreciation expense of $2,935 and $1,903 for the years ended December 31, 2020 and 2019, respectively.

3. DEFERRED REVENUES

Deferred revenues consist of contract liabilities resulting from initial franchise fees, a portion of which are recognized on a straight-line basis over the term of the underlying franchise agreement, and unearned marketing and technology revenues. The following table reflects the activity in deferred revenues for the years ended December 31, 2020 and 2019:

	2020	2019
Balance at beginning of year	$ 76,583	$ -
New billings	26,415	78,805
Revenue recognized	(34,513)	(2,222)
Balance at end of year	68,485	76,583
Less: current portion	(13,415)	(11,305)
	$ 55,070	$ 65,278

4. CONTRACT COMMISSIONS

The activity in the Company's capitalized contract commissions consisted of the following for the years ended December 31, 2020 and 2019:

	2020	2019
Balance at beginning of year	$ 26,639	$ -
Additions to contract costs	-	27,500
Expense recognized	(4,938)	(861)
Balance at end of year	21,701	26,639
Less: current portion	(2,500)	(2,750)
	$ 19,201	$ 23,889

5. OPERATING LEASE

The Company rents office space in Pensacola, Florida under a non-cancelable lease expiring on December 31, 2021.

Total rent expense was $29,181 and $31,223 for 2020 and 2019, respectively. Additionally, the lease requires the Company to pay taxes, insurance, utilities and maintenance costs. Future minimum rental payments under this lease agreement total $26,258 for the year 2021.

6. RELATED PARTIES

During 2019, the Company sold a franchise to a related party in which the franchise agreement was amended to exclude an initial franchise fee.

The Company pays monthly management fees and franchise royalty fees to its affiliates held by the New Zealand Member. Total amounts due to affiliates were $94,063 and $45,955 at December 31, 2020 and 2019, respectively.

In July 2020, the Company entered into a contract with Hayley English, a relative of Paul English, for administrative services to be paid monthly at $1,476. The total amount paid as of December 31, 2020 was $7,038.

In October 2020, the Company entered into a contract with Lacey English, a relative of Paul English, for franchise network development services to be paid at a base rate of $450 per month. The total amount paid as of December 31, 2020 was $1,185.

7. CONCENTRATION

For the years ended December 31, 2020 and December 31, 2019, the Company derived its revenues under the terms of agreements with five franchisees, respectively.

8. SUBSEQUENT EVENTS

Subsequent to December 31, 2020, the New Zealand Member made capital contributions to the Company of $80,000 and Paul English made capital contributions to the Company of $4,000.

Subsequent to December 31, 2020, the Company received an advance of approximately $15,600, from a financing company, to fund insurance premiums. The advance requires ten monthly principal and interest payments of $1,604 bearing an interest rate of 4.50% beginning in February 2021.

EXHIBIT D
TO
RENOVATION FRANCHISE NORTH AMERICA, LLC
FRANCHISE DISCLOSURE DOCUMENT

LIST OF STATE ADMINISTRATORS

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LIST OF STATE ADMINISTRATORS

STATE	STATE ADMINISTRATOR
CALIFORNIA	California Department of Financial Protection & Innovation One Sansome Street, Suite 600 San Francisco, CA 94104 415-972-8559 866-275-2677
CONNECTICUT	Securities and Business Investment Division Connecticut Department of Banking 260 Constitution Plaza Hartford, CT 06103 860-240-8230
FLORIDA	Department of Agriculture & Consumer Services Division of Consumer Services Mayo Building, Second Floor Tallahassee, FL 32399-0800 850-245-6000
GEORGIA	Office of Consumer Affairs 2 Martin Luther King Drive, S.E. Plaza Level, East Tower Atlanta, GA 30334 404-656-3790
HAWAII	State of Hawaii Business Registration Division Securities Compliance Branch Dept. of Commerce and Consumer Affairs 335 Merchant Street, Room 205 Honolulu, HI 96813 808-586-2722
ILLINOIS	Franchise Division Office of the Attorney General 500 South Second Street Springfield, IL 62706 217-782-4465
INDIANA	Securities Commissioner Indiana Securities Division 302 West Washington Street, Room E 111 Indianapolis, IN 46204 317-232-6681
IOWA	Iowa Securities Bureau Second Floor Lucas State Office Building Des Moines, IA 50319 515-281-4441

STATE	STATE ADMINISTRATOR
KENTUCKY	Kentucky Attorney General's Office Consumer Protection Division 1024 Capitol Center Drive Frankfort, KY 40602 502-696-5389
LOUISIANA	Department of Urban & Community Affairs Consumer Protection Office 301 Main Street, 6th Floor One America Place Baton Rouge, LA 70801 504-342-7013 (gen. info.) 504-342-7900
MAINE	Department of Business Regulations State House - Station 35 Augusta, ME 04333 207-298-3671
MARYLAND	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202 410-576-6360
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 525 W. Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, MI 48913 517-373-7117
MINNESOTA	Minnesota Department of Commerce 85 7th Place East, Suite 500 St. Paul, MN 55101 651-296-4026
NEBRASKA	Department of Banking and Finance 1230 "O" Street, Suite 400 Lincoln, NE 68508 P.O. Box 95006 Lincoln, Nebraska 68509-5006 402-471-2171
NEW HAMPSHIRE	Attorney General Consumer Protection and Antitrust Bureau State House Annex Concord, NH 03301 603-271-3641
NEW YORK	New York State Department of Law Bureau of Investor Protection and Securities28 Liberty Street, 21st Floor New York, NY 10005 212-416-8222

STATE	STATE ADMINISTRATOR
NORTH CAROLINA	Secretary of State's Office/Securities Division 2 South Salisbury Street Raleigh, NC 27601 919-733-3924
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard Avenue State Capitol, Fifth Floor Bismarck, ND 58505-0510 701-328-4712; Fax: 701-328-0140
OHIO	Attorney General Consumer Fraud & Crime Section State Office Tower 30 East Broad Street, 15th Floor Columbus, OH 43215 614-466-8831 or 800-282-0515
OKLAHOMA	Oklahoma Securities Commission 2915 Lincoln Blvd. Oklahoma City, OK 73105 405-521-2451
OREGON	Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, OR 96310 503-378-4387
RHODE ISLAND	Rhode Island Department of Business Regulation Securities Division John O. Pastore Center – Building 69-1 1511 Pontiac Avenue Cranston, RI 02920 401-222-3048
SOUTH CAROLINA	Secretary of State P.O. Box 11350 Columbia, SC 29211 803-734-2166
SOUTH DAKOTA	South Dakota Department of Labor and Regulation Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, SD 57501 605-773-3563
TEXAS	Secretary of State Statutory Documents Section P.O. Box 12887 Austin, TX 78711-2887 512-475-1769

STATE	STATE ADMINISTRATOR
UTAH	Utah Department of Commerce Consumer Protection Division 160 East 300 South (P.O. Box 45804) Salt Lake City, UT 84145-0804 TELE: 801-530-6601 FAX: 801-530-6001
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising Tyler Building, 9th Floor 1300 E. Main Street Richmond, VA 23219 804-371-9733
WASHINGTON	Department of Financial Institutions Securities Division 150 Israel Rd S.W. Tumwater, WA 98501 360-902-8762
WISCONSIN	Wisconsin Dept. of Financial Institutions Division of Securities 345 W. Washington Avenue, 4th Floor Madison, WI 53703 608-266-8557

EXHIBIT E
TO
RENOVATION FRANCHISE NORTH AMERICA, LLC
FRANCHISE DISCLOSURE DOCUMENT

LIST OF AGENTS FOR SERVICE OF PROCESS

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LIST OF AGENTS FOR SERVICE OF PROCESS

Renovation Franchise North America, LLC
Attn: Paul English
415 South Florida Blanca Street
Pensacola, Florida 32502

STATE	AGENT FOR SERVICE OF PROCESS
CALIFORNIA	Commissioner of the California Department of Financial Protection & Innovation 320 West 4th Street, Suite 750 Los Angeles 90013-2344
CONNECTICUT	Connecticut Banking Commissioner Connecticut Department of Banking 260 Constitution Plaza Hartford, CT 06103
FLORIDA	Department of Agriculture & Consumer Services Division of Consumer Services Mayo Building, Second Floor Tallahassee, FL 32399-0800
GEORGIA	Office of Consumer Affairs 2 Martin Luther King Drive, S.E. Plaza Level, East Tower Atlanta, GA 30334
HAWAII	Hawaii Commissioner of Securities 335 Merchant Street, Room 205 Honolulu, HI 96813
ILLINOIS	Illinois Attorney General 500 South Second Street Springfield, IL 62706
INDIANA	Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, IN 46204
IOWA	Iowa Securities Bureau Second Floor Lucas State Office Building Des Moines, IA 50319
KENTUCKY	Kentucky Attorney General's Office Consumer Protection Division 1024 Capitol Center Drive Frankfort, KY 40602
LOUISIANA	Department of Urban & Community Affairs Consumer Protection Office 301 Main Street, 6th Floor One America Place Baton Rouge, LA 70801
MAINE	Department of Business Regulations State House - Station 35 Augusta, ME 04333

STATE	AGENT FOR SERVICE OF PROCESS
MARYLAND	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202
MICHIGAN	Michigan Department of Commerce Corporations and Securities Bureau 525 W. Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, MI 48913
MINNESOTA	Minnesota Department of Commerce 85 7th Place East, Suite 500 St. Paul, MN 55101
NEBRASKA	Department of Banking and Finance 1230 "O" Street, Suite 400 Lincoln, NE 68508 P.O. Box 95006 Lincoln, Nebraska 68509-5006
NEW HAMPSHIRE	Attorney General Consumer Protection and Antitrust Bureau State House Annex Concord, NH 03301
NEW YORK	Secretary of State of New York 99 Washington Street Albany, New York 12231
NORTH CAROLINA	Secretary of State Secretary of State's Office 2 South Salisbury Street Raleigh, NC 27601 919-733-3924
NORTH DAKOTA	North Dakota Securities Commissioner 600 East Boulevard Avenue State Capitol, Fifth Floor Bismarck, ND 58505-0510
OHIO	Attorney General Consumer Fraud & Crime Section State Office Tower 30 East Broad Street, 15th Floor Columbus, OH 43215
OKLAHOMA	Oklahoma Securities Commission 2915 Lincoln Blvd. Oklahoma City, OK 73105
OREGON	Director Department of Insurance and Finance Salem, OR 96310
RHODE ISLAND	Director, Rhode Island Department of Business Regulation John O. Pastore Center – Building 69-1 1511 Pontiac Avenue Cranston, RI 02920

STATE	AGENT FOR SERVICE OF PROCESS
SOUTH CAROLINA	Secretary of State P.O. Box 11350 Columbia, SC 29211
SOUTH DAKOTA	Director of the South Dakota Division of Insurance, Securities Regulation 124 S. Euclid, Suite 104 Pierre, SD 57501
TEXAS	Secretary of State Statutory Documents Section P.O. Box 12887 Austin, TX 78711-2887
UTAH	Utah Department of Commerce Consumer Protection Division 160 East 300 South (P.O. Box 45804) Salt Lake City, UT 84145-0804
VIRGINIA	Clerk of the State Corporation Commission Tyler Building, 1st Floor 1300 E. Main Street Richmond, VA 23219
WASHINGTON	Director, Dept. of Financial Institutions Securities Division 150 Israel Rd S.W. Tumwater, WA 98501
WISCONSIN	Wisconsin Commissioner of Securities 345 W. Washington Avenue, 4th Floor Madison, WI 53703

EXHIBIT F
TO
RENOVATION FRANCHISE NORTH AMERICA, LLC
FRANCHISE DISCLOSURE DOCUMENT

STATE SPECIFIC ADDENDA

FOR INDIANA AND MICHIGAN ONLY

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AMENDMENT TO FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF INDIANA

In recognition of the requirements of the Indiana Franchise Disclosure Law, Indiana Code § § 23-2-2.5-1 to 23-2-2.5-51, and the Indiana Deceptive Franchise Practices Act, Indiana Code § § 23-2-2.7-1 to 23-2-2.7-10, the parties to the Ten Spot Franchise Agreement (the "Franchise Agreement") agree as follows:

1. Section 3 of the Franchise Agreement, under the heading, "Renewal," is amended by the addition of the following language to the end of the section:

> To the extent required by Indiana Code Section 23-2-2.7-1(5), no general release executed pursuant to this section will be deemed a release, assignment, novation, waiver or estoppel which purports, or is intended to relieve us from any liability imposed by the Indiana Deceptive Franchise Practices Act.

2. The provisions of the Franchise Agreement regarding default and termination is amended by the addition of the following:

> The conditions under which this Agreement may be terminated may be affected by the Indiana Franchise Disclosure Law and the Indiana Deceptive Franchise Practice Act.

3. The post-term obligations under the Franchise Agreement is amended by the addition of the following:

> Notwithstanding these post-term obligations, your rights will not in any way be abrogated or reduced pursuant to Indiana Code § 23-2-2.7-1(9), which limits the scope of non-competition covenants to the territory granted in this Agreement.

4. The post-term covenant against competition set forth in the Franchise Agreement is hereby supplemented with the following:

> To the extent required by either the Indiana Franchise Disclosure Law or the Indiana Deceptive Franchise Practices Act, the post-term covenant not to compete is limited to your Territory.

5. The indemnification section of the Franchise Agreement is amended by the addition of the following language to the end of the section:

> To the extent required by Indiana Code Section 23-2-2.7-2(10), you will not be obligated to indemnify us as provided herein for any liability caused by your reasonable and proper reliance on or use of procedures and materials provided by us or arising out of our negligence.

6. The governing law provision set forth in the Franchise Agreement is hereby amended to include the following:

> To the extent required by either the Indiana Franchise Disclosure Law or Indiana Deceptive Franchise Practices Act, Indiana law will be applied in construing this Agreement.

7. The venue and choice of forum provisions of the Franchise Agreement are hereby amended to include the following:

> However, to the extent required by either the Indiana Franchise Disclosure Law or Indiana Deceptive Franchise Practices Act, a franchisee that operates a franchised business in Indiana may require, at the franchisee's option, that litigation concerning such franchise take place in Indiana.

Each provision of this Amendment is effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Indiana Franchise Disclosure Law and the Indiana, Indiana Code § § 23-2-2.5-1 to 23-2-2.5-51, and the Indiana Deceptive Franchise Practice Act, Indiana Code § § 23-2-2.7-1 to 23-2-2.7-10, are met independently without reference to this Amendment.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

AGREED TO BY:

FRANCHISOR

RENOVATION FRANCHISE NORTH AMERICA, LLC

By: _____
Paul English, CEO

FRANCHISEE

[INSERT NAME]

By: _____
[Name], [Title]

NOTICE REQUIRED BY THE STATE OF MICHIGAN

The state of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in the franchise documents, the provisions are void and cannot be enforced against you.

Each of the following provisions are void and unenforceable if contained in any document relating to a franchise:

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This will not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor terminate a franchise agreement prior to the expiration of its term except for good cause. Good cause includes the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) The term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise, or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This will not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause includes, but is not limited to:

(i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iv) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(v) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligation to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.

Any questions regarding this Notice should be directed to the Michigan Department of Attorney General, 670 Law Building, Lansing, Michigan 48913, (517) 373-7117.

EXHIBIT G
TO
RENOVATION FRANCHISE NORTH AMERICA, LLC
FRANCHISE DISCLOSURE DOCUMENT

LIST OF FRANCHISEES AS OF DECEMBER 31,2020

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LIST OF FRANCHISEES AS OF DECEMBER 31,2020

Franchisee Name	Address	Phone Number	Email Address
Rick Maddox	4400 North Scottsdale Road, #9-169 Scottsdale, AZ 85251	(480) 272-5261	Rick.maddox@refreshrenovations.com
Douglas Flores/ Gilberto Sanchez	8505 NW 68th St., Miami, FL 33166	(786) 201-6541	Douglas.flores@refreshrenovations.com
Hayley English	3 Blithewood Drive, Pensacola, FL 32514	(850) 332-6131	Hayley.english@refreshrenovations.com
Troy Teague	10417 North Brooklyn Ave. Kansas City, MO 64155	(816) 777-7959	Troy.teague@refreshrenovations.com
Chris Kuhr	725 Oak Meadow Court, Lake Oswego, OR 97034	(310) 850-3981	Chris.kuhr@refreshrenovations.com

EXHIBIT H
TO
RENOVATION FRANCHISE NORTH AMERICA, LLC
FRANCHISE DISCLOSURE DOCUMENT

LIST OF FORMER FRANCHISEES THAT LEFT THE SYSTEM AS OF DECEMBER 31, 2020

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LIST OF FORMER FRANCHISEES THAT LEFT THE SYSTEM AS OF DECEMBER 31, 2020

Franchisee Name	Address	Phone Number	Email Address
Hermann Krohn/ Aliusha Acosta	26911 Cheyenne Crest Lane, Katy, TX 77494	(281) 769-1053	Hermann.krohn@refreshrenovations.com

EXHIBIT I
TO
RENOVATION FRANCHISE NORTH AMERICA, LLC
FRANCHISE DISCLOSURE DOCUMENT

SAMPLE RELEASE AGREEMENT

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SAMPLE RELEASE AGREEMENT

In consideration for the consent of Renovation Franchise North America, LLC (the "**Franchisor**"), to the assignment by _____ ("**Franchisee**") of its interest in that certain franchise agreement entered into by and between Franchisor and Franchisee dated _____ (the "**Franchise Agreement**"), Franchisee hereby remises, releases, and forever discharges Franchisor, its officers, directors and employees and agents, and their respective successors, assigns, heirs and personal representatives, from all debts, covenants, liabilities, actions, and causes of action of every kind and nature, including but not limited to those arising out of or existing under the Franchise Agreement, the offer and sale of the franchised business described therein, and out of the franchise relationship between the parties hereto, whether in law or in equity, from the beginning of time to the date hereof. Franchisee acknowledges that this Release is intended to release all claims held by any person against the parties to be released, arising out of any of the matters to be released.

This Release has been entered into and agreed to as of the _____.

FRANCHISEE:

By: _____

Print Name: _____

By: _____

Print Name: _____

EXHIBIT J
TO
RENOVATION FRANCHISE NORTH AMERICA, LLC
FRANCHISE DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES

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STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Florida, Hawaii, Kentucky, Illinois, Indiana, Maryland, Michigan, Minnesota, Nebraska, New York, North Dakota, Rhode Island, South Dakota, Texas, Utah, Virginia, Washington and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Not Registered
Florida (exemption)	January 9, 2021
Hawaii	Not Registered
Illinois	Not Registered
Indiana	Not Registered
Kentucky (one-time exemption)	Effective
Maryland	Not Registered
Michigan	Not Registered
Minnesota	Not Registered
Nebraska (one-time exemption)	Not Registered
New York	Not Registered
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	Not Registered
Texas (one-time exemption)	January 8, 2019
Utah (exemption)	May 19, 2020
Virginia	Not Registered
Washington	Not Registered
Wisconsin	Not Registered

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT K
TO
RENOVATION FRANCHISE NORTH AMERICA, LLC
FRANCHISE DISCLOSURE DOCUMENT

RECEIPTS

©2021 Renovation Franchise North America LLC

RECEIPT (YOUR COPY)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Renovation Franchise North America, LLC offers you a franchise, it must provide this disclosure document to you fourteen (14) calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale or grant.

New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or ten (10) business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan, Oregon, and Wisconsin require that we give you this disclosure document at least ten (10) business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Renovation Franchise North America, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and your State Administrator listed in Exhibit D to this Franchise Disclosure Document. A list of franchisor's agents registered to receive service of process is listed in Exhibit E.

I have received a Franchise Disclosure Document with an issue date of May 10, 2021, which contained the following Exhibits:

A: Franchise Agreement
B: Operations Manual Table of Contents
C: Financial Statements
D: List of State Administrators
E: List of Agents for Service of Process
F: State Specific Addenda
G: List of Franchises
H: List of Former Franchisees
I: Sample Release Agreement
J: State Effective Dates
K: Receipts

The name, principal business address and telephone number of each franchise seller offering the franchise: Paul English, c/o Renovation Franchise North America, LLC, 415 South Florida Blanca Street, Pensacola, Florida 32502; (850) 332-6131; _____

If an individual:	If a Partnership, Corporation or Limited Liability Company:
_____	Name: _____
Name: _____	Title: _____
Telephone Number: _____	Name of Entity: _____
Date: _____	Telephone Number: _____
	Date: _____

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